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After-War Problems

By

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the Bishop of Exeter, Professor
Alfred Marshall, and Others

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Introduction

By THE EDITOR

THE longer the war lasts the more difficult it becomes to project one's mind into the new England—the word is used in a representative sense as one of convenience—to which our armies will return when their tasks have been completed. To-day can never be as yesterday, nor to-morrow as to-day. If that is true for the life of the individual, it is still more true for the life of a nation. We are living at a time when days and weeks have the fulness and significance of years and decades. Who does not feel that since August 1914 England has in many ways broken with her past and entered an entirely new epoch of her history, marked by transformations of every kind, so that when the day of peace arrives, be it soon or late, we shall be confronted at home, as well as abroad, by an altogether altered situation?

In every department of our domestic affairs new conditions and relationships have been established during the last two and a half years, and these have created and will create new problems, some of a profoundly important and delicate character, affecting the entire fabric and the innermost texture of our social life. The conditions and problems of the war in their military aspects are hardly likely to undergo further fundamental change. Can it be said, however, that the nation yet fully realizes what the war will mean for its future life at home—the duties which will have to be faced there, and which we shall shirk at our peril, and the demands which these duties will make upon patriotism, public spirit, and the best energies that can be evoked by an enlightened and self-sacrificing citizenship?

We are told almost every day stories—which may materialize or may not—of the wonderful expansion that awaits our commerce; markets from which we have been driven are to be reoccupied, never again to be relinquished, and many of our industries and trades are to have the time of their lives. These things should not be belittled, since the unexampled strain of war indebtedness will call for the utmost development of the nation's industrial, agricultural, and commercial resources ; yet, none the less, they do not touch even the outermost fringe of the question which really matters for the England of the future : How is the war going to leave the nation itself, its life and ideals, its motive forces and aims? There is danger that in our concern for the smaller things we may overlook the greatest, and that in giving overdue prominence to the material effects of military success the nation may be led to lose sight of the higher and more lasting values.

So, again, we are told of what Germany is to be compelled to do, of the capitulations and penalties which are to be required of her as the price of peace. Here likewise prophecy, in so far as it is well informed, is perfectly legitimate and may be helpful. Yet there are thousands of Englishmen, and they not the least patriotic, who are quite as eager to know what England herself is prepared to do in order to help in and sustain the coming reign of peace and goodwill which all men long for and too many of us think will come automatically, and of the example which she is going to offer to the world of order and harmony in her own household. Already the nation's contribution to the awful holocaust of life and treasure demanded by the war has been appalling, and still the full toll has not been paid. What is to be the gain in return—the gain, not to Europe and to civilization at large, which to most people are mere abstractions, but to ourselves? If the gain is to be equal to the sacrifice, it must surely be in the things wherein we as a people have hitherto been most lacking.

The war has sobered us. Have its lessons been taken truly to heart? Will the transformation wrought by the war prove permanent? Let us think back. How was it with England before the clarion note of war called her people to forsake the ways of ease and complacency? How many were the earnest voices—voices neither of pessimists nor croakers—which had warned us of a growing slackness in the national character, of increasing flaccidity of will, of a love of luxury spreading downward from stratum to stratum of society, and a steadily weakening grip upon the true elements of individual and national worth! How many there were who longed that this careless, spoiled England would just for one quiet, patient, unhurried hour commune with her own soul—

> Stand still, my soul, in the silent dark:
> I would question thee—

and ask in honest concern if all were really well there! Perhaps to some of these there came at times unbidden the thought, which they almost feared to harbour, that perchance no greater blessing could be bestowed upon this great nation—so rich in its gifts yet so slow to value them, capable of the highest things yet so prone to be satisfied with the mean and the trivial, spoiled by wealth and apparently enervated by success—than the discipline of a great ordeal, some mighty stirring that should perturb it to the depths of its being, and mercifully compel it to face the master facts of life in a spirit of true soberness.

Observers of developments in other parts of the world, with their eyes fixed specially upon a country which now is our mortal enemy, yet was not always so, and believing that in some respects that country held the key to our own fate, preached in season and out of season their sermons on the prosy texts of Order, Authority, Discipline, Organization, Patriotism, the greater merging of the one in the all, and, not least, Universal Service in a form suited to our national conditions and traditions. Our sermons may have been dull, and perhaps might have been made less so, yet at least they were not duller than the hearing of those who refused to heed. Even these appeals on the lower plane of self-interest seemed to pass unregarded.

Now the trial has come, and though it came unexpectedly, and when in many ways we were unprepared for it, we know, happily, that the doubters doubted too much and the prophets of evil prophesied not in all things truly. Compelled, in one of those supreme crises that come so rarely in the history of nations, to choose between honour and dishonour, between duty and ease, the nation has proved, no less by its choice than by the manner of supporting it, that it is sound at the core, however much there may be on the surface of its life that is capable of betterment. A people deemed by its enemies to be decadent and almost a cumberer of the earth, and by many of its best friends, like the plain-speaking American Mr.

Price Collier,[1] to be dangerously ill in its vital parts, suddenly threw off lethargy and flippancy like an outworn garment. Where there seemed to be only indifference, shallowness, cynicism, and laxity there sprang up passionate enthusiasm and a boundless power of sacrifice. The nation that can thus respond to the call of a great emergency has lost none of its old will and right to live.

And yet who does not feel that the severest trial for the nation at large remains still to be faced? It is the test of the moral and physical reaction which will inevitably come when the strain of the war, with its ardours and elations, is over, and the nation is compelled by the force of circumstances to return to the plain, uninspiring duties of every-day life. How much courage, resolution, and self-discipline it will then need, if it is to be fortified against depression, lassitude, and a disposition to adopt the deadly doctrine of *laisser faire, laisser passer*, of "letting things alone": "The thing that hath been, it is that which shall be, and that which is done is that which shall be done." The spirit in which the nation meets and masters this reaction, the degree to which it carries into the future the strength and steadfastness which mark the present, will for good or ill determine the course of English social life for generations to come.

There is one discipline, and one only, that will carry the nation over the dead points and send it forward with a new momentum. When in 1871 France came out of her agony, torn and bleeding, broken both in body and spirit, Gambetta gave to his countrymen a watchword which acted like a magic anodyne when he called them to work: "*Le travail, encore le travail, et toujours le travail!*" That, too, will be England's hope and stay, and the way of her renewal, and naught else will avail—work with brain and heart and hand in a thousand ways, all energies bent to the one purpose of healing the ravages of war, giving to the national life a new and greater order, bringing up the arrears of neglected social duty, and making out of the old England an England worthier of the men who have fought and fallen for her honour and her homes.

It is here that we touch the deepest domestic problem of the war. The ordeal which the nation has been called to face has evoked an outburst of moral energy without parallel in the history of the British race. Shall the moral forces now in action be demobilized in county and city, in town and hamlet, when the struggle is over? Must they not rather be preserved in being, as a standing army for the service of the national life, to do battle everywhere against the enemies within our own gates? Nobly have the nation's manhood and womanhood responded to the call of duty. Soon there will come to those who have done great deeds on the high plane the chance of proving a like heroism and devotion in the trivial round and common task of social and civic service. Is it a misuse of words to say that when the war abroad is over the war at home will only begin? We may conquer Germany, emancipate Belgium, and free Europe and mankind from the menace of malign ambitions, yet if the war does not win for the homeland likewise the things so supremely necessary to its welfare and peace we shall have fought and suffered and sacrificed in vain.

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[1] "England and the English," a book full of wholesome criticism, first published in 1909, and now more than ever worth thoughtful pondering.

The call comes from the graves of the dead that we falter not in this high purpose. Who can think without emotion of those gallant youths, the flower of the nation's life, whose eager faces were turned to the future with hope and ardour, who yet at the call of duty forsook all else that was precious to them on earth, and whose bodies now lie beneath unnumbered mounds on the fields of Flanders, the hillsides of Gallipoli, and the deserts of the more distant East? They died, we say, for England, those brave lads, fresh from school and college and home. Rather, they died for two Englands—the England which we know, with all its social evils, that shame our culture, baffle our morality, and make our national greatness seem a cruel mockery; yet perhaps more truly, if not more consciously, for another England altogether, an England that lives as a "vision splendid" in the imagination of all true-hearted youth—an England of cleaner life, sweeter manners, purer laws, and happier homes, the England of their hopes, ideals, and longings. They have not lived to re-create that England, but the thought of their loss to us would be appalling were it possible that their aspirations should be quenched like smoking flax, and their dreams perish and pass with them unrealized into the silence of the unknown. Rather should our duty to the dead serve as the measure of our responsibility to the living. Thus and thus only will England pay her due debt to those who have fallen for her sake, and prove that she was worthy of the sacrifice.

It is good to wish and hope for such a national renewal so long as we do not forget that if it is to be realized it will be by systematic hard work—by intelligent national effort co-ordinated in a manner and on a scale never conceived as possible or necessary before. To this end the nation needs direction quite as much as impetus and stimulus. We are not on the whole a hard-thinking people, but rather a people of action, impatient of theory and method, empirical in a high degree, and prone to approach our problems on the easy *solvitur ambulando* principle. Yet the nation has always shown willingness to listen to the counsels of men and women who enjoy its confidence. In the hope of contributing towards the great task of after-war reconstruction this volume has been written by publicists for all of whom this claim may justly be made.

A book of this kind could not with advantage have been written by one hand. Pre-eminently the problems with which it deals called for treatment by specialists, and it will be seen that every one of the contributions to this symposium relates to a subject with which the writer is in some special way closely identified. The book has been written in the full stress of war-time, and the readers to whom it is addressed will not fail to appreciate at its proper value the patriotic spirit which has prompted it ; for in the case of most, and probably all, of the writers the following essays represent just one more act of public service to be added to the rest—the one additional task for which, happily for the public life of this country, the busiest men and women always have or are able to make time.

It seems desirable to say at once that the Editor accepts full responsibility for the plan of the book, with the choice of subjects, and that all shortcomings on that score must be laid solely to his account. On the other hand, each writer has exercised the fullest latitude in the treatment of his subject, and is responsible only for the opinions covered by his signature. The work had necessarily to be confined within somewhat narrow limits, so that it has been possible to review only a selection of the larger, more urgent, more obvious of our national problems. Yet diverse though the subjects dealt with are, it will be found that a certain sequence and unity runs through the book.

For the sake of convenience the subjects have been divided into broad groups, yet the intimate interrelation of the several groups will be at once recognized. Problems of national efficiency and social reform, for example, are inseparable and almost identical. For not only is all social reform in essence a question of national efficiency, but the great social changes and ameliorations which are vital to any real renewal of England will unquestionably make great demands upon the nation's material resources, already deeply mortgaged by the war, and these demands in turn will be successfully met just in the measure that the productive forces of the country, from first to last, are developed with greater energy, concentration, and intelligence than ever in the past.

If, therefore, special stress appears to have been laid upon the economic aspects of the question of national efficiency, it is from a recognition of the integral relationship between national wealth and national welfare. Bismarck gave Protection to the industrial and agricultural classes of his country in order that he might be justified in levying upon them in turn tribute in the service of costly insurance legislation and other social reforms. I admit frankly that in giving prominence in this book to pleas for the greater efficiency and better ordering of our national economy, as a task in which the State will need to co-operate with private effort more closely and actively than ever before, I have had in mind the prospect of reciprocal social recompense in other directions, though it is right to add that this is a purely personal view. In a truly civilized society wealth creation can never be an end in itself. Wealth, for nations or individuals, is only moral when it is acquired by moral means for moral ends, and the greatest of moral ends is the evolution of humaner social conditions and relationships. That way, too, and that way only, lies the hope of social peace.

With these explanatory words the book may be left to speak for itself and, if possible, to achieve its purpose. Every thoughtful man and woman knows of the problems which it discusses and of those other problems of society —some created, others merely accentuated by the war— which have been passed over in consequence of limitations of space. The urgent thing is that we should endeavour betimes to see our way through these problems, so hastening the day when this England, this Scotland, Wales, Ireland

—for one may stand for all where all are one—shall at last become a real home to all her sons and daughters, calling up as never before to their affections and their reverence the truest friend they know and the best they love in the wide world.

The nation's moral awakening has come: now comes the need for the moral life. Yet let us not look for miracles. Whatever the new England becomes will be the result of long and painful effort, of sacrifice and renunciation of all kinds, made by men and women of good-will; and we shall succeed in proportion as we keep before our eyes ideals that are not so high that they "lose themselves in the sky," aiming at the best practicable for the present, and from that slowly working on to the best conceivable. The individual citizen will help in the common task by going back, as far as in him lies, to the forgotten habits of simplicity, soberness, diligence, and self-control. Old truths will need to be revived—the truths that obedience is not dishonouring, that liberty can live only in the atmosphere of law, that Jack is as good as his master only when he proves it and not because he says it, that some men are fitted to rule and others more fitted to serve, yet that ruling and serving are but two parts of the same act, whose name is duty. The nation collectively will help by bringing into the ordering of its life and policies clearer aims, greater intelligence, and a higher moral purpose, by trusting more to principles and less to instincts—not supplanting the instincts, but directing them by reason—and by thinking always of the second and the third step before the first is taken.

Only by the cultivation and co-ordination of all her intellectual and moral forces and vitalities will England come through her final ordeal triumphantly, able to face the future with unshaken will and undaunted spirit—not, in the words of the Oxford poet, as "the weary Titan bearing on shoulders immense, Atlantëan, the load, well-nigh not to be borne, of the too vast orb of her fate," but rather, in the image of that older poet of the sister University, as "an eagle mewing her mighty youth and kindling her undazzled eyes at the full midday beam."

I

EMPIRE AND CITIZENSHIP

CHAPTER I

Imperial Federation[1]

By THE EARL OF CROMER

THE predominating feature of modern political thought in the domain of international affairs is unquestionably the idea of Nationalism. Every statesman—at all events, every democratic statesman—is convinced that in the more ample recognition of the Nationalist principle is to be found, not merely a means for harmonizing political action with the dictates of justice and sound public morality, but also the key to many of the most perplexing problems of the day. It is not unfrequently held that this principle is the antithesis of that of the old theory of the Balance of Power, which is now almost universally condemned. The argument, though in some respects valid, may, however, be pushed too far. It is true that in past times the principle of the Balance of Power has been applied in a manner which was not merely neglectful of, but even diametrically antagonistic to, the assertion of national rights, but no moralist or enlightened politician would now be disposed to defend such applications of that principle as were involved, for instance, in the successive partitions of Poland. Nor would they counsel adhesion to views such as those held at a later period by statesmen of the type of Metternich and Castlereagh.

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[1] The lamented death of Lord Cromer on January 29, 1917, a short time after he had corrected the proofs of this chapter, allows the Editor to acknowledge here the readiness with which this distinguished Englishman, who by his great work in Egypt has placed not only that country but the Empire and the world in lasting debt, gave to the proposal to prepare the present volume of essays his warm sympathy. Invited to co-operate in the undertaking, and, if willing, to select one of three subjects suggested to him, he at once wrote, "There can be no doubt whatever as to the necessity of such a book. I shall be very glad indeed to do what I can to help, and I think probably the best subject for me to deal with would be Federation." How conscious he was of the difficulty as well as the urgency of this question is shown by some further words in the same letter:—"Federation is in the air. Every one is preaching it. But the difficulties of finding some practical way of giving effect to it are enormous. . . . I do not anticipate that I can do much more than state the pros and cons, without attempting to suggest any cut-and-dried solution." In a later letter he wrote: "All the political thinkers tell us that we ought to federate, but unfortunately they all end where the practical politician would like them to begin. They do not tell us how the policy is to be carried into execution. . . . The main thing for the moment is to discuss the whole question thoroughly, and in a spirit very sympathetic to the Colonial demands. The Colonies have a very strong case, but, I repeat, the whole of the difficulties are not questions of principle but are purely practical." It will be seen from the following essay that when he came to face his task Lord Cromer found himself able to go beyond the mere statement of the case for Federation, and, without attempting a "cut-and-dried" solution—which no one knew better than he to be, at the present stage, impossible—to make practical suggestions of high value.—THE EDITOR.

Nevertheless, it would be altogether a mistake to suppose that the necessity for a Balance of Power of some sort has altogether disappeared. Far from this being the case, there probably never was a time when the maintenance of a just balance between the strength of the Great Powers of the world was more necessary than now, for one amongst them avowedly aims, not merely at European hegemony but even at universal world-dominion. But the Balance must be established with aims wholly different from those which have heretofore prevailed. It must be directed *inter alia*, not to the discouragement but to the encouragement of national unification. Indignation at Prussian methods and condemnation of latter-day Prussian policy should not be allowed to obscure the fact that, even so late as 1870, the absolutist Government of Prussia was endeavouring to assert the right of homogeneous peoples to amalgamate, whilst the relatively democratic Government of France was prepared to resist that right by a recourse to arms. French opposition to the unification of Southern and Northern Germany was the real cause of the Franco-Prussian War. Any attempt to place obstacles in the way of the application of the Nationalist principle because it incidentally leads to an aggrandizement of territory by an homogeneous community should, therefore, be definitely set aside. On the other hand, the new Balance should have as one of its main objects the realization of the political ideal of Wordsworth, who, as Professor Dicey has recently reminded us, was an early and extremely rational Nationalist. It should be directed to guaranteeing the independence of each genuinely

Nationalist unit, and more especially that of the least powerful amongst them.

Obviously, one of the first preliminary conditions essential before applying the Nationalist principle is to obtain some idea of what is meant by a nation. Much has been said and written on this subject. It is probably impossible to define so complex a conception as nationality in the terse language of an epigram, but for all practical purposes the definition given by Mr. Arnold Toynbee, in his work entitled "The New Europe," may be accepted as a good workable basis for discussion. Mr. Toynbee says that in order to call a nation into existence there must be "a will to co-operate." The existence or absence of that will depends on several factors, which vary according to the special circumstances of each case. It may be created by identity of race, religion, language, and sentiment. It may, on the other hand, be absent even in cases where all these elements, tending to cohesion, exist in a full degree. It may be due to common economic interests which are sufficiently strong to overcome all the centrifugal forces of racial animosity, divergence of national sentiment, and differences of language or religion. Thus, the South American republics, many of whom were at the time merely republican in name, flew asunder directly after they had thrown off Spanish or Portuguese domination, in spite of the existence of many elements which would have appeared to tend to close union. Their economic and presumed political interests diverged, with the result that they fought bitterly with each other and that each eventually established its own separate independence.

Immediately after the British provinces of North America had declared their independence it seemed highly probable that something similar would occur. Mr. Olivier, in his Life of Alexander Hamilton, says that the first step which the thirteen States of America took after they had shaken off the British yoke was "to indulge themselves in the costly luxury of an internecine tariff war. . . .Pennsylvania attacked Delaware. Connecticut was oppressed by Rhode Island and New York. . . . It was a dangerous game, ruinous in itself, and, behind the Custom-house officers men were beginning to furbish up the locks of their muskets. . . . And at one time war between Vermont, New Hampshire, and New York seemed all but inevitable." Rather more than half a century ago the racial and other ties which united the several States of North America did not prevent the occurrence of a civil war, which originated in what was really an economic question, although it had important humanitarian and political aspects —the continuance or abolition of slavery. On the other hand, in spite of racial animosity, diversity of language, and to some extent of religion, an identity of economic interests has tended, and may perhaps still continue to tend, to hold together the discordant national units which collectively make up the Empire of the Habsburgs. The case of the British is the exact antithesis of that of the Austrian Empire. Identity of race, language, etc., has proved an effective binding force, in spite of a divergence, or supposed divergence, of economic interests.

How is Nationalism, which is based on the right to autonomy, to be reconciled with Imperialism, which is often dictated by economic interests or geographical considerations, and which need not necessarily, but may often, be irreconcilable with the assertion of autonomous rights? Democratic political thinkers answer, almost with one voice, "By the adoption of the system of Federalism." They are unquestionably right in principle.

Federalism is the natural and legitimate offspring of Nationalism. The idea of federating the British Empire has for many years been in the air. The days are long past when it was necessary for such a man as Wakefield, of whom Sir Charles Metcalfe said that "God had made him greater than the Colonial Office," to ply reluctant and short-sighted statesmen with arguments to convince them that the Colonies were not a burden to the Mother Country, and that they were wrong in thinking that the only wise policy to pursue was to shuffle off the load as soon as circumstances would permit of the adoption of such a course. Any public man who now ventured to give utterance to such sentiments would forthwith condemn himself to political extinction. The very term "colony," which as Sir George Cornewall Lewis pointed out in 1841, was even then often misapplied, has now become a complete misnomer. In the most important cases it has been already changed into "Dominion." What were formerly British Colonies have, in fact, now grown into being allied British nations. In this case the "will to co-operate" exists in the highest degree, both on the part of the parent stock and its offspring. The self-governing Dominions are closely united to each other and to the United Kingdom by the bond of identical political institutions and by community of sentiment and opinion as regards the general principles on which government should be conducted. In many of them complete racial affinity, the use of a common language, similarity of religious faith, and identity of manners and customs serve to tighten the bond, and where, as in the case of the French in Canada and the Dutch in South Africa, these latter elements of cohesion are in some degree wanting, experience has shown that by the adoption of a wise and liberal policy such differences as exist in no way tend to enfeeble the desire for unity. Instead of the feeling of oppression at being burthened by the Colonies which formerly existed, there has grown up in the United Kingdom a very legitimate sense of pride in the colonial connection, a conviction that, far from proving a source of weakness, each unit in the Empire serves to enhance the strength of the whole fabric, and a strong sentimental feeling which, in dealing with a people whom so acute an observer as Lord Beaconsfield characterized as the most emotional community in Europe, should by no means be neglected, that it would be shameful for England to play the part of a political Clytemnestra and to act as an "unmotherly mother" (*μήτηρ ἀμητωμρ*),[1] who rejects the claims based on parentage and spurns her own offspring. The link with the Colonies, Mr. Joseph Chamberlain very truly said, "must not be galling." The colonials fully recognize that it does not gall, and that it rests with them, and with them alone, to sever it completely should they wish to do so. They are fully aware that no sane British statesman would for one moment propose that coercion should be exercised in order to oblige them to maintain a connection which had become irksome or distasteful to them. But they are far from desiring severance. They hold that both self-interest and sentiment point to the conclusion that, if any change is to take place, it should be in the direction, not of separation but of closer union, which must never, however, in any degree impair local autonomy. Recent events have enormously tended to strengthen the force of these considerations. Never did the short-sighted and defective statesmanship of Berlin err more conspicuously than when it thought that national peril would exercise a dissolving effect on the component parts of the British Empire. The very opposite has taken place. The event which it was thought would sunder the colonial connection has tended to solder it together to the extent of imparting to it a strength and rigidity which has astonished the world. To the amazement of all absolutists and coercionists the link was found to be so tough because it was so slender. Never have democratic principles achieved a greater triumph. Professor Macphail, who is a Canadian, says with great truth, in one of his "Essays in Politics," "The greatest feat of England in Empire-building since 1759 is that, during the past twenty years, she has won back her Colonies by the cords of affection alone."

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[1] Sophocles, El. i. 154.

Looking to all these favourable symptoms and conditions, it may well be asked, Why has the policy of Federalism, up to the present time, only been applied locally? Why has it been confined to the accomplishment of the highly important, but nevertheless subsidiary, tasks of federating the Dominions in Australia, British North America, except Newfoundland, and—with the exception of Rhodesia, which, it may be hoped, will ultimately join—South Africa? The answer, broadly speaking, is that the Atlantic, Pacific, and Indian Oceans interpose an obstacle which, if not insuperable, is certainly very formidable. The proximity of each unit to the other component parts of the Federal group did not, indeed, cause but it immensely facilitated the process of federation in the United States and in the more recent British cases. Distance, on the one hand, greatly enhances the difficulty of carrying the work of federation to its logical conclusion. Even New Zealand, although separated from Australia by a distance slight by comparison with that which lies between the United Kingdom and any of the self-governing Dominions, does not form part of the Australasian Commonwealth. The subject must, however, necessarily be reconsidered at the close of the present war, and it will be as well to ponder beforehand over what can be done to secure, if not the establishment at one bound of a system which fully realizes the Federal ideal, at all events the creation of one which will unite the whole Empire together by ties even stronger than those which already exist.

The strength of the bonds which unite the Mother Country and the Colonies was never put to a more severe test than when, during the mid-Victorian period, the latter claimed and were allowed the right to tax British imports. The issue at stake was one that might conceivably have led to disruption. It did nothing of the kind. Experience has proved that full fiscal autonomy can be exercised by the Colonies without impairing the unity and solidarity of the Empire. Since then one of the burning questions of the day has been whether it is possible or desirable to revert to the old practice of according Preferential treatment to colonial produce imported into the United Kingdom, or whether the Dominions and Colonies should, as at present, continue to be treated, for the purposes of the present argument, in every respect on the same basis as foreign countries.

I should like to preface the remarks I am about to make on this subject by explaining the personal point of view from which I approach it. It is that of a convinced Free Trader. Although, of course, I am not prepared to say that I agree entirely with all that Free Traders have in the past said about Free Trade, I am nevertheless far from holding that, to use an expression which is now very commonly employed, Free Trade is a mere "fetish." On the contrary, I hold very strongly that the essential principles of Free Trade are justified by economic laws which cannot be violated without eventually taking condign vengeance upon those who violate them. The general arguments for and against Protection will, in my opinion, remain just the same after the war as they were before its outbreak. Protection must always operate to the advantage of the few and to the detriment of the many. None the less, I am quite prepared to admit, not only that circumstances have been greatly changed by the war, but also that the whole question of fiscal policy cannot be decided wholly by looking to the economic aspects of the issues at stake. Political considerations have also to be taken into account. I am wholly out of sympathy with the view apparently entertained by Mr. Norman Angell and others of his school that all but economic arguments should be ignored. As regards the special case of Germany, I am, of course, of opinion that, until peace is concluded, a vigorous trade war is not merely justifiable, but is imposed by the necessities of the case. I may go farther than this and say that even after the war, if the political institutions of Germany remain unchanged, if they still constitute a menace to the peace of the world, and if the German

Government still continues to adopt commercial methods for the attainment of political objects and military advantages, the trade war may justifiably be continued and that economic considerations may, while such a state of things lasts, remain in abeyance. On the other hand, it should not be forgotten that it is conceivable—I dare not be so sanguine as to say that it is probable—that after the war German political institutions will undergo a radical change, that a more democratic system of government will be established in that country, that the militarist spirit will, to a certain extent, be quenched, that Germany will be in a condition again to take her place amongst the comity of civilized nations, and that German statesmen will be prepared to base their political action upon the moral standards which her present rulers spurn and reject, but which are generally accepted by the rest of the civilized world. If any such transformation should take place, and if we should in the future have to deal with a changed Germany, any attempt to boycott that country would involve our losing a good customer and at the same time debarring ourselves from using such of the products of Germany as may profitably and advantageously be imported into this country.

It is obviously impossible for any one at present to attempt to sketch out any cut-and-dried scheme in respect to the fiscal policy which we must adopt in the future. All that can be done is to indicate a few general principles which may profitably be borne in mind. Before we can go farther we must all, whether Free Traders or Tariff Reformers, know how we shall stand at the close of the war. All that is at present clear is that we shall have to bear an enormously increased charge for interest on the accumulated debt, for Sinking Fund, for pensions, and other consequences which will result from the war. Further, if the adoption of such a course can possibly be avoided, we ought not to arrest, even for a term of years, the progress of social, and notably of educational, reform. It is abundantly clear that in order to meet all these charges a very large increase of revenue will be required, and the increase will certainly be considerable even supposing that, as a result of the war, a large permanent reduction is possible in the direction of naval and military expenditure—a point as to which nothing can be foretold until the terms of peace are settled and we know whether other nations are prepared to adopt a reasonable policy of disarmament. As regards the methods of raising increased revenue, I am very clearly of opinion that, in the first instance, it should be raised, as is at present the case, by the imposition of direct taxes which will fall mainly on the well-to-do classes. But not merely is it a matter of justice that all classes, whether well-to-do or the reverse, should bear some share in the new burdens, but, further, it is to be observed that, although we have perhaps not yet reached the maximum amount which it is possible to levy upon the rich, we are approaching the limit beyond which nothing more in that direction can be done without entailing disastrous consequences, which would fall, not merely on the rich but also on the poor. I hold to it, therefore, as proved that indirect taxes will have to be imposed, and I have for long considered that the Government is blameworthy for not having imposed more taxes of this nature some while ago. It is certain that some of these taxes will act protectively. This cannot be avoided, for even if it were thought desirable to impose equivalent excise duties, their imposition in every case would be practically impossible.

Amongst the numerous plans which have recently been put forward for dealing with the fiscal future there is one which certainly possesses great attraction. It is that the United Kingdom, its Colonies and Dependencies, and the Allied nations should join together and that all should agree to impose import duties for revenue purposes only. It is to be presumed that under this system other neutral nations would be allowed, should they think it desirable to do so, to join the Concert. If the plan could be carried out, it would be a very distinct step towards that Free Trade within the Empire which for a long time past has been the ideal both of Free Traders and Protectionists in this country. Indeed, it would go farther than this, for the same conditions, which would be mutually conceded by the United Kingdom and the Colonies to each other, would be granted to a large and important group of foreign countries. But is this programme at all capable of execution? I greatly doubt it. I question whether the British Colonies or the friendly nations, whom it is proposed to bring into the group and who are now all Protectionists, would agree to abandon their Protectionist policy and to allow free competition within their own territories in so far as it was not impeded by the relatively low duties imposed for revenue purposes.

Failing the adoption of this somewhat grandiose project, which appears to me, for the time being at all events, to be incapable of realization, the question will remain as to what is to be done by the United Kingdom in respect to the Preferential treatment of the Colonies. The question obviously presents itself for consideration under conditions different from those which have heretofore prevailed. One, though not the only, objection which Free Traders have in the past urged against according Preferential treatment to the Colonies has been that the adoption of this course necessarily involved the imposition of a general tariff. I hold that the establishment of such a tariff is now inevitable. If this view is correct, one of the most formidable of the Free Trade objections will be removed. Moreover, for my own part, I am quite prepared to admit that, looking to recent events and to the staunch loyalty with which both the Dominions and India have stood by the British Empire in the hour of trial, the political should be allowed to predominate over the economic arguments, and that if any fairly workable scheme can be devised Preference should be accorded at British ports to colonial and Indian produce. But it is essential that the scheme should be workable, and this, I venture to think, can only be done if the Preference accorded is not excessive. Past history affords a very useful lesson as to what not only may but certainly will occur if Preference on an excessive scale is allowed. To quote one or two instances in illustration of what I mean, I may mention that in the old days of colonial Preference a duty of 55s. per load was imposed on timber coming from foreign countries, whereas on timber from the Colonies a duty of only 5s. a load was paid. The result was that timber was imported from the Scandinavian countries to Canada and then re-shipped to the United Kingdom as Canadian timber, the difference of 50s. a load making the transaction very profitable to the exporter. Similarly, coffee was sent, not merely from Brazil but even out of bond from England, to the Cape of Good Hope and re-exported to the United Kingdom, the duty on colonial coffee being only 6d., whereas that on the foreign article was 1s. 3d. a pound. I greatly doubt whether any elaborate system of certificates of origin and suchlike devices, though giving an infinity of trouble, would be able to check evasions of this description. Therefore I maintain that, for all practical purposes, if a Preference is to be accorded to the Colonies, it will be imperative that the difference between the duty on colonial produce and on that of a similar nature which comes from foreign countries should not be so great as to give rise to a revival of the abuses and evasions of the past.

Divergence of opinion on matters connected with fiscal policy is not, however, the main obstacle which stands in the way of complete federation. The question of the extent to which the self-governing Dominions should contribute to the defence of the Empire has to be considered. This is a matter of great importance; but if it stood by itself, the solution of the problem involved need not necessarily entail any fundamental changes of a constitutional character. The question of the amount which each unit of the Empire should contribute to Imperial defence, leaving it, of course, wholly to the local legislatures to decide how the money should be raised, does not inevitably involve the discussion of any very vital questions of principle. It could perfectly well be settled by negotiation, without the necessity arising for making any fundamental change in the existing framework under which the several parts of the Empire are governed.

The future treatment of all matters which fall within the domain of foreign policy raises issues of a more important and also of a far more complex character. Moreover, inasmuch as foreign policy is intimately connected with the relative naval and military strength of various States, and the maintenance of the army and navy depends in a very great degree on the financial resources of each State, it may well be that if any fundamental change is made in the manner in which that policy is conducted, the transformation would carry with it the desirability, or even the necessity, of effecting a corresponding change in the control of the military and naval forces of the Crown, as also, although to a less extent, in the financial methods adopted for the maintenance of those forces. Is, therefore, any such change desirable or necessary? If so, what should be its nature? These are questions which will certainly have to be considered with the utmost care at the close of the war.

There has recently been a good deal of discussion, sometimes of rather wild discussion, on the subject of what is now termed "secret diplomacy." So responsible a statesman as Lord Haldane, although in using the phrase it is to be gathered from the context of his remarks that he did not attach the same significance to it as that with which it is not unfrequently vested in the public estimation, is reported to have said that, in his opinion, one result of the war will be that "secret diplomacy will disappear." There appears, indeed, to be an opinion very generally entertained by an influential section of the British public that a profound dislike of democracy and of all democratic ideas and methods of government is innate in the minds of all members of the diplomatic service, that they are constantly engaged in weaving mysterious and generally nefarious plots to the detriment of peace and of the general interests of civilization, that they are aware that their proceedings will not stand the light of day, and that the main object of their lives is to cast a veil of profound secrecy over both their intentions and their methods. I am now speaking only of British diplomatists. I am not concerned with the proceedings of those of other nations. More especially do I gladly yield those of German and Austrian diplomatists to the tender mercies of their most severe British critics. So far, however, as British diplomacy is concerned, I can, speaking perfectly untrammelled by official obligations and with a quarter of a century's experience of the methods adopted by the Foreign Office, declare very positively that these notions constitute a complete delusion. They are based on false and haphazard conjectures and on the wholly erroneous supposition that the traditions of eighteenth-century diplomacy, albeit they survive to this day at Berlin and Vienna, are still current in Downing Street.

As a matter of fact, those traditions have long since been banished from British official life. British diplomacy may at times have been inept, but for many a long year it has been scrupulously honest, perfectly able to stand, without shrinking, the light of the utmost publicity, and wholly in conformity with the aspirations and moral standards adopted by an advanced democracy. It was not the fault of the British diplomatists that the outbreak of the present war came like a thunderclap to the amazed people of this country. Some of them probably showed greater foresight than others. Some believed, and others disbelieved, in the possibility of preserving the peace of the world. But whatever may have been their opinions, it was not part of their duty to proclaim them to the rest of the world. If the public were not forewarned, the responsibility lies, not with British diplomacy, but with British statesmanship. It seems impossible to escape from the dilemma that the Ministers of the day collectively either failed to realize the gravity of the impending danger, or, if they realized it, lacked the moral courage to impart their apprehensions to the democracy and to take beforehand the measures most essential to meet the coming crisis.

All this is true enough. Nevertheless, in so far as the subject now under discussion is concerned, there is much force in the accusation that British diplomacy has been unduly secret. The self-governing Dominions of the Crown have been asked and expected to take part in the greatest war recorded in history without either their responsible rulers or their inhabitants being in any way consulted as to the wisdom of engaging in hostilities, and without being previously furnished with any adequate information in respect to all the circumstances which preceded the declaration of war and which rendered it inevitable. They responded nobly and willingly to the call. But will they be prepared to adopt a similar course in the future? Will they continue to acquiesce patiently in a system under which their national destinies, the lives of their inhabitants, and the resources of their Treasuries are placed absolutely at the disposal of an authority over whom they can exercise no control, and of whose proceedings they are kept in whole or partial ignorance? So far as can at present be judged, the answer to these questions must be in the negative, more especially in so far as Canada is concerned.

Some quotations from the most recent utterances of eminent colonial statesmen will suffice to show the views which they generally entertain on this subject. Sir Robert Borden has emphatically stated that in the future Canada will "no longer be content to be an adjunct even of the British Empire." Even before the war—that is to say, in September 1913—he spoke of "the inborn feeling in the Canadian breast that a British subject living in this Dominion must ultimately have as potent a voice in the government and guidance of this world-wide Empire as the British subject living in the United Kingdom." Sir George Perley who, Messrs. Percy and Archibald Hurd say, "is known in this matter to be expressing the deep convictions of the Prime Minister of Canada,"[1] after stating in a recent speech that he represented a county in the Province of Quebec, added: "I wish to say that it would be impossible for me to get up on a platform in that county, which I have represented for ten years, and to argue that Canada should do as she is now doing for all time, whenever war may come, without knowing beforehand and being consulted regarding the questions at issue which may make such a war necessary." Messrs. Hurd also say: "The British House of Commons was recently startled by the quotation in debate of the declaration of a Canadian who was described as 'one of the greatest men in Canada.' Discussing the services Canada rendered in the war he said, 'It is the last time Canada is going to do this'; and he added that England 'could not count in future on the splendid contribution of Canada to our armed forces if we did not take Canada more into our councils and confidence.'"[2] Sir Charles Sifton, speaking at Montreal early in 1915, said: "Canada must now stand as a nation. It will no longer do for Canada to play the part of a minor. It will no longer do for Canadians to say that they are not fully and absolutely able to transact their own business. We shall not be allowed to do this any longer by the nations of the world. We shall not be allowed to put ourselves in the position of a minor. The nations will say, If you can levy armies to make war, you can attend to your own business, and we will not be referred to the head of the Empire; we want you to answer our questions directly. There are many questions which we shall have to settle after this war is over, and that is one of them." The Hon. W. P. Schreiner, High Commissioner for South Africa and ex-Premier of Cape Colony, recently said: "I associate myself very much with the idea that the near future after the war must see a little more attention given to practical improvement in the methods and system under which the Empire is now run. I am not prepared at the moment to say what particular way should be followed, but some way should be followed, not in order to tie the bonds more tightly—for they should remain elastic—but so that there should be no knots to cause friction." Expressions of opinion of this sort, all pointing to the same general conclusion, might be multiplied.

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[1] "The New Empire Partnership" by Percy Hurd and Archibald Hurd, p. 253.

[2] Ibid., p. xi.

The case of the self-governing Dominions, considered as a matter of theory and exclusively on its own merits, is absolutely unanswerable. No believer in democratic institutions can for one moment contend that several powerful and populous democracies can be expected patiently to endure the continuance of the present system. The strength of the case has been in some degree enhanced by reason of the absence of satisfactory results obtained under the present régime. It would not only be premature, but in the highest degree unjust, to condemn the recent diplomacy of the British Foreign Office without, in the first instance, obtaining that full information about what has actually occurred which is not at present available. Moreover, it has to be remembered that Downing Street has not, like Berlin—with the Viennese Foreign Office practically in its pocket—been altogether master in its own house. It has been necessary to bring no less than four different and distant Foreign Offices and War Offices into line in order to ensure common action on the part of the Allies. It may confidently be surmised that the difficulty of securing complete unity of action has often been very considerable. At the same time, it cannot be denied that the diplomacy of the Foreign Office, especially in the Near East, has not been productive of satisfactory results, and it is very natural that grave suspicions should have been excited that it has not been conducted with any marked degree of skill or judgment.

Not only, however, is the case of the Dominions unanswerable, but it may confidently be asserted that there is no sort of desire to contest its validity. The force of the colonial arguments is generally admitted. The "will to co-operate" exists in the highest degree. Only one question remains outstanding. It is how best to ensure the desired co-operation. It must be admitted that the solution of that question bristles with practical difficulties.

The conservative and perhaps, it may to some extent be said, the official view of the matter may briefly be stated as follows: The existing system, it is urged, is admittedly full of anomalies. It is indefensible in theory. But in practice it works well. It has produced admirable results, which might very probably not have been secured by the adoption of a more rigid and logical system. Beware, lest in touching so delicate a piece of political machinery, you do not bring the whole fragile fabric about your ears. No solution, or at all events no immediate and complete solution, is possible. Leave well alone. It is better to bear those ills we have than fly to others that we know not of.

It would be a very great error to neglect views of this description merely because they are conservative and run counter to the direction of the popular feeling of the day. They are, in a greater or less degree, held by many who have made a special and lifelong study of colonial questions and who can speak with very high authority upon them. Thus Sir Charles Lucas, speaking recently at the Royal Colonial Institute, said: "I want to warn you all that any Federation or Union of English people must grow. Any cut-and-dried scheme would be fatal, contrary to English history, contrary to English instincts, a German plan which they call Kultur." Nevertheless, it will only be with the utmost reluctance that the public, whether in the United Kingdom or in the Colonies, will be led to believe in the bankruptcy of British statesmanship. There must surely, it will be urged, be some means for solving the problem, thorny though it be. It may conceivably be necessary to fall back on the maintenance of the *status quo* if, after every endeavour has been made to introduce some satisfactory and generally acceptable changes, the result is failure. But until this happens, the hope of realizing the noble ideal and the far-reaching political conception which now expands before the eyes of the Anglo-Saxon race should on no account be abandoned.

The only practical proposal in connection with this subject which was made at the Colonial Conference in 1911, was that brought forward by Sir Joseph Ward. It is unnecessary to describe it in detail. Indeed, the precise nature of the suggested scheme was left by its author in some degree of obscurity. But it is essential to refer to the highly important speech made by the Prime Minister (Mr. Asquith) when the matter came under discussion. He stated emphatically that the authority of the Imperial Government in dealing with all matters connected with foreign affairs "cannot be shared."

The view thus taken by Mr. Asquith is unquestionably sound in this sense, that, in the interests of the whole Empire, there must be unity of control over the conduct of foreign affairs, and that this unity can only be secured by confiding the direction of foreign policy to the hands of the predominant partner in the Imperial concern. It would, indeed, be possible to create a separate Imperial Cabinet and an Imperial Parliament to deal with such matters. I will allude further to this proposal presently. Here I need only remark that, even if such a plan were adopted, the practical result, although it would be attained by a different and more circuitous route, would not very materially differ from that which is secured by the existing system. The authority and responsibility of the Imperial Government would, indeed, nominally be "shared" by the Governments of the Dominions; but under any scheme which would present the least chance of being generally accepted the voices of the British representatives, both in the Imperial Cabinet and the Imperial Parliament, would be so enormously preponderating as practically to leave them masters of the situation.

I may mention incidentally that, in writing on this subject, Messrs. Hurd appear to attach special importance to the fact that on July 15, 1915, Sir Robert Borden was invited to attend a meeting of the British Cabinet. The incident also seems to have been regarded by a section of the British and colonial Press as an epoch-making event. It would be an exaggeration to regard it in any such light. It was a satisfactory symptom that the British Government wished, on some point of special importance, to obtain an expression of opinion from the Canadian Prime Minister. But it was not more than this. It gave no indication of any intention to usher in a radical change in the existing system for conducting business. It has for long been the practice, when any special issue was under consideration, occasionally to invite some individual, whose opinion it was thought necessary to obtain, to attend a Cabinet meeting. Under the Ministries both of Mr. Gladstone and the late Lord Salisbury I was on several occasions requested to attend when Egyptian questions formed the subject of discussion.

Before proceeding any farther it may perhaps be as well to dispel an illusion which may possibly exist in the minds of some. A pledge has been already given that, before the terms of peace are settled at the conclusion of the present war, full consultation shall take place with the responsible Ministers of the Dominions. It may perhaps be thought by some people that all that is now required is that a somewhat similar pledge should be given in respect to future action—that is to say, that no decisive step should be taken in the domain of foreign policy without previous consultation with the Governments of the Dominions. Any such idea would be a complete delusion. More than this is required. Apart from the consideration that in many cases such prompt action is required as to render consultation even by telegraph highly objectionable, if not altogether impossible, it is to be observed that any one who has had practical experience in dealing with foreign affairs must be cognizant of the fact that it would be futile to expect even the most capable man or body of men to give any valuable opinion on a special issue unless they had previously acquired full knowledge of all the events which had led up to the issue being raised. In the large majority of important cases the whole field of foreign relations, as also their recent history, has to be surveyed before a definite or valuable opinion can be pronounced on any special point, and in order advantageously to make any such survey a full acquaintance with all recent circumstances and incidents of real importance is essential. More than this, it is often not by any means easy to decide, in the first instance, what is and what is not a really important issue. It not unfrequently happens that some incident occurs, or that some decision has to be taken, which appear at first sight to be unimportant, but which acquire, by the light of after-events, a character of very great importance. It is essential, therefore, that if the Governments of the Dominions are to be taken seriously into council they should be in a position to watch the operations in the whole field of foreign policy during normal times, and this they cannot do unless they are kept well informed.

Broadly speaking, there are two methods by which consultation with the Dominions can be secured. One is to associate them to a greater extent than at present with the executive action of the British Government. The other is to go farther afield, to change the whole Constitution of the British Empire, and, by some kind of legislative amalgamation, to enable the people of each separate Imperial unit to make their voices heard by adopting the normal and habitual proceedings common under all democratic forms of government. Obviously, the former of these two alternatives possesses the advantage that it involves, relatively speaking, a far less degree of radical change, and that it is much less difficult to carry into execution than the latter.

In order to associate the Dominions with the executive action of the British Government it would be possible to establish a special department at the Foreign Office, whose functions would be to keep the representatives of the Dominions fully informed of everything of importance that passes in connection with foreign affairs, leaving it to them, at their discretion, to inform the Dominions' Ministers either by mail or telegraph, as occasion might demand. There are, of course, certain objections to the adoption of this course. There would be a risk that the information communicated to the representatives would speedily find its way to the columns of some colonial newspaper, and, little as I believe in the existence of any Foreign Office secrets which cannot at the proper time be divulged without doing the least harm, it cannot be denied that cases might well occur in which premature disclosures might cause much inconvenience and even be seriously hurtful to the public interest. This risk would, however, have to be faced. It is not, in my opinion, to be weighed in the balance against the advantages which would accrue under the proposed plan. It would, of course, have to be fully understood that no papers communicated by the Foreign Office to the Dominions Governments should be presented to their respective Parliaments without British consent having been previously obtained.

If this measure were not deemed sufficient, a further development in the same direction might be found by establishing an Imperial Council, to sit in London, composed of delegates appointed by the Dominions and of such British Ministers as it might be thought desirable to associate with them. This body would have to be solely consultative and advisory. There would, in Mr. Asquith's phrase, be no question of "sharing authority." The British Government, and the British Government alone, would in each case have to decide. But, if an Imperial Council were established, the British Ministers, before they came to any decision, would be enlightened as to the views held by the Dominions Governments. This would assuredly be a very great advantage. The proposal is open to two objections—one British and the other colonial. The British objection consists in the fear that, by the establishment of an Imperial Council, the powers and independence of the existing Cabinet would be impaired. It is urged that, by the creation of the already existing Committee of Imperial Defence, a sort of Cabinet within the Cabinet has been formed, and that this has caused much inconvenience. It is for those who have had practical experience in the working of the system to say to what an extent the alleged inconveniences have been of a serious nature. I cannot help thinking that, if they have arisen, their occurrence might be obviated by an improved organization which ought to be able to insure hearty co-operation between two separate but closely connected bodies. The colonial objection is of a wholly different character. Would the responsible Ministers of the Dominions and their electors be prepared to delegate their powers and to leave a certain amount of discretion in the hands of their London representatives? I cannot say. The matter is one for Australians, New Zealanders, Canadians, and South Africans to decide for themselves. If, however, I am correctly informed, it is extremely doubtful whether their consent to any such delegation as that which is suggested could be obtained. All that can be said at present, however, is that if after the war a Conference is summoned to consider this and cognate matters, one of the first duties of the British Ministers would appear to be to elicit an expression of opinion on this point.

The second alternative to which I have alluded above involves a far more drastic reform. It is that an Imperial Cabinet and an Imperial Parliament should be created, which would deal with all the affairs connected with the Empire as a whole, that in this Cabinet the Foreign Office, the Admiralty, the War Office, the India Office, and the Crown Colony side of the Colonial Office should be represented, that a Ministry should be created to deal with Imperial finance, and that the present British Parliament should in reality become a Home Rule Parliament, which would only deal with the local affairs of the United Kingdom. Many high authorities, such as Mr. Curtis and Mr. Basil Worsfold, who have paid special attention to this subject, favour this idea. It cannot be doubted that the plan is theoretically sound, and that it carries out the principle of Federation to its logical conclusion. But is it capable of execution? No answer can be given to this question until the whole scheme is formulated and presented in such detail as to enable all concerned to form a matured opinion as to its merits and demerits. It is clear, however, that the obstacles to be encountered in devising a workable plan of this sort are very formidable. Of these, perhaps the most serious is to discover some principle upon which representation in the Imperial Parliament should be based. Are the numbers to be sent to the Parliament by each unit of the Empire to be decided with reference to comparative wealth, or population, or relative naval and military strength? Whatever basis is adopted it is certain that the result, as I have already mentioned, must be to give an enormously preponderating voice to the representatives of the United Kingdom. Would the overseas democracies be prepared to acquiesce in such a situation? I cannot say. It would be for them to decide. Then, again, is the decision of a majority to be final? Is each unit of the Empire to be bound by the votes of the collective body, or, in case of dissent, is it to be allowed subsequent freedom of action? Are decisions in such vital matters as peace and war to be unanimous? The idea is inconceivable. Such a system would reproduce all the political anarchy caused by the exercise of the *Liberum veto* in the old Polish Diet. These, and a number of other questions of a scarcely less complex character, would have to be most carefully considered before any opinion can be formed on the expediency or practicability of the project. It would, I venture to think, be a mistake to be unduly daunted by the obvious difficulties which will have to be encountered in devising a plan. Personally, although I am strongly convinced that some changes should, if they are at all possible, be made, I am inclined to think that, looking to the extreme complexity of the subject and to the great importance of avoiding a false step, it would be wise for all concerned to proceed very cautiously and tentatively, to be satisfied for the time being with dealing with the comparatively easy subject of somewhat closer association in executive matters, and then to see how the revised system works before proceeding to reforms of a more drastic and far-reaching description. But I speak under correction. It may be that others who approach the subject with greater knowledge and who can speak with greater authority upon it than myself may be able to devise some unobjectionable plan of a more satisfactory and comprehensive description, which would be capable of immediate adoption. The matter should certainly be fully discussed and the relative merits of the rival plans carefully examined. Until this is done, it will be well to suspend final judgment as regards the merits of any particular scheme. In any case, it would seem desirable, even if no more important changes be made, to arrange that the Imperial Conference should, for the future, meet every two years, instead of, as at present, at intervals of four years. Thus, the statesmen both of the United Kingdom and of the Dominions would more frequently be brought in close contact with each other. They would be able mutually to exchange views. The result could not be otherwise than beneficial.

The case of India is also of the greatest importance. It differs very materially from that of the self-governing Dominions. I cannot attempt to deal with it fully at present. That some reforms will have to be made after the war in the methods under which India is at present governed is both possible and probable. The general direction which those forms may profitably take was indicated in a dispatch of the Government of India, written in December 1911, which contains the following passage :—

"The only possible solution of the difficulty would appear to be gradually to give the Provinces a larger measure of self-government, until at last India would consist of a number of administrations, autonomous in all provincial affairs, with the Government of India above them all, and possessing power to interfere in case of misgovernment, but ordinarily restricting their functions to matters of Imperial concern."

I am very clearly of opinion that India is not yet ripe for complete self-government in the sense in which that term is used in the Dominions. The same may be said of Egypt and the Soudan. It would at present be altogether premature to discuss the desirability of bringing either of these two countries within the full scope of a general scheme for the Federation of the Empire.

CHAPTER II

The State and the Citizen

By BISHOP WELLDON

MAN is, as Aristotle says, a political or a social animal (*πολιτικὸν ζῶον*). It is to him a natural impossibility that he should live alone. As a human being, he stands immediately in relation to other human beings who are like himself. No sooner do he and they meet than a community of interest or service arises, and a primitive association is formed ; "the companions of the meal-tub" or "of the hearthstone," [1] if they were the first persons who entered into a simple partnership, laid the foundations of all human society. They were the original parents of the city or the State.

The Greek thinkers, such as Aristotle and his master Plato, who traced the beginning of society to the common advantage which two or more human beings enjoy, when each of them contributes to the other something which he can best supply and which the other or others cannot supply so well, if indeed at all, were the first political economists. They saw clearly that men living and acting in combination can accomplish far more than is possible, if every man lives or tries to live in independence of other men. They saw, too, that men who unite to make life possible or easy continue in union to make it happy and prosperous. The association exists to ensure not life only but a good life (*γιγνομένη μὲν οὖν τοῦ ζῆν ἕνεκεν οὖσα δὲ τοῦ εὖ ζῆν*).[2]

It is evident, then, that human society, as it amplifies, proves to be greater not only than any individual who is a member of it, but than all its members taken together. The individual, indeed, in becoming a member of society, loses something of his own freedom. There is a sense in which a savage is freer than a civilized man. But law is not the antithesis to liberty; it is the guarantee, and the only guarantee, of full liberty. For civilization affords men the opportunity not only of enjoying greater benefits, but of attaining larger and higher objects, than are possible in a state of barbarism. The individual gains or may gain more by claiming less. His self-restraint is the condition of his self-satisfaction. As Goethe says:—

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[1] Aristotle, "Politics," 1, 2, 5.

[2] Ibid., 1, 2, 8.

> "In der Beschränkung zeigt sich erst der Meister,
> Und das Gesetz nur kann uns Freiheit geben.[1]

Thus the relation of the aggregate society to the individuals who compose it becomes at once a disputable question. Does the State exist for the individual, or does the individual exist for the State? Is it the service which the society can render to its members, or the service which the members can render to their society, that is the dominant factor in municipal and national life? Upon the answers, given explicitly or implicitly to these questions, has depended the history of civilized mankind.

If it were necessary or desirable to enunciate a broad generalization, it might be said that in the pre-Christian world the law was the supremacy of the State, but that in the Christian world it has been the supremacy of the individual. Yet the Christian world has not been exempt from reactionary or retrogressive movements, and among these movements the most conspicuous has been in modern Europe the history of the German Empire.

It would appear that in ancient Greece and in ancient Rome, the two countries from which European civilization has mainly sprung, the State (*πόλις* or civitas) was the object of general homage. The contrast between civilization and barbarism was strongly felt. Everybody who was not a Greek was, by the Greeks, adjudged to be a barbarian. Everybody who was not a citizen of Rome was, by the Romans, held to be devoid of civic rights. The city or the State was the author of the institutions and instruments by which life, as the Greeks and the Romans alike regarded it, was made worth living. It was owing to the State that the individual citizen could live and move in safety, could possess and enjoy such wealth as he had acquired, could make the best of himself physically and æsthetically, could refine his intellect and use his leisure and his culture as stepping-stones to a higher life. He was therefore a debtor to the State; and whatever claim the State might make upon him, whether in the way of military service or of pecuniary tribute, it was his absolute duty to satisfy; for at the best he could never hope to discharge the full obligation which rested upon his whole life. When Lord Palmerston, in his famous speech upon the case of Don Pacifico, quoted the formula "*Civis Romanus sum*" as a model or earnest of British citizenship, it was the overshadowing, protective power of the State, strengthening, as it were, and dignifying all its citizens, that gave a proud significance to his words. But there were two circumstances which, in Greek or Roman eyes, invested the State with an unique authority.

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[1] "Was wir bringen," Auftritt 19.

One was the institution of slavery. It is difficult, in the modern world, to estimate what was in the ancient world the magnitude of slavery. But two striking figures may be cited. Athenæus states, as the result of an investigation made by Demetrius Phalereus, that at the beginning of the third century B.C. the true Athenians in Attica were 21,000, the Metics (*μέτοικοι*) 10,000, and the slaves 400,000.[1] Marquardt has estimated the population of Rome in the first century of the Christian era as 1,610,000, including women, children, and foreigners, and of this total number the slave population as 900,000.[2] Christianity changed at once, not the institution of slavery but the position of the slave. It made him, as St. Paul says in his Epistle to Philemon, "no longer a servant, but above a servant, a brother beloved." It did not abolish, yet it mitigated, slavery, because master and slave became one in Christ Jesus. Thus it is that of the early Christians, who were buried in the catacombs, no one is described as a slave. The transformation of the Roman "*familia*" into the Christian "family" is a sign, as it is a measure, of the social revolution wrought by Christianity. It is sadly true that slavery, although it was condemned by the finest and noblest Christian spirits, as universally by Pope Gregory the Great, lingered for many centuries in some parts of Christendom. Not until the year 1861 A.D. did Alexander, the Tsar of Russia, emancipate the five million serfs in his mighty empire. Not until 1865 was the death-knell of slavery sounded in the United States of America by the assassination of President Lincoln. It was of him that the American poet Bryant wrote :—

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[1] "Deipnosophist," bk. vi. ch. 103.

[2] "A Companion to Latin Studies," vi. 4, p. 354.

> Thy task is done : the bond are free.
>   We bear thee to an honored grave,
> Whose proudest monument shall be
>   The broken fetters of the slave.

His poem "On the Death of Lincoln" is immediately followed by his other poem, "On the Death of Slavery." So long as slavery endured, and, still more, so long as the slaves were a majority of the people in a country or a city, the sentiment of individual right was practically negligible, in comparison with the power of the State over all its citizens. Democracy has been a plant of slow growth in the modern world. In the ancient world there was no such thing as democracy. The most democratic city of antiquity, even Athens itself, was in fact a narrow oligarchy. It was only through the Christian conception of the soul, and its relation to God, that democracy dawned upon the world.

To the condition of slavery in ancient times must be added the long national habit of warfare. An ordered and settled peace has been only too seldom known in civilized and Christian Europe. Among the nations of antiquity it was never known. No political constitution in the ancient world was internally or externally stable. Slavery was itself an abiding peril to national and civil peace, as the Servile Wars in the history of Rome amply proved. The dread of revolution or insurrection (*στάσις* as it was called in Greece) brooded as a haunting fear upon all statesmen and administrators. The gates of the Temple of Janus before the reign of the Emperor Augustus were seldom closed. But amidst wars and rumours of wars the State inevitably asserts itself. It calls the citizens to arms ; it disciplines them in tactics ; it enforces duty, obedience, subordination ; it is, or it feels itself to be, the custodian of interests so momentous that it cannot recognize or tolerate any assertion of individualism against them. It is probable that the nearest parallel to the modern Empire of Germany, at least on its military side, would be found in the Empire of Rome. For an empire founded upon force is naturally hostile to freedom. It was necessary that some such pacific influence as that of the Christian Church should move the heart and conscience of the world, before men and nations of men could believe, even as a theory, that peace, and not war, is the natural and normal rule of human life.

There is a third element which has largely entered into modern European civilization—the Judaic. But Judaism was a theocracy ; and under a theocracy the Government or the Constitution, as embodying the direct will of God necessarily exercises a controlling influence upon the actions, whether great or small, of the individual citizen's life. It follows that, in so far as Europe in the early Christian centuries derived guidance from the Bible, and particularly from the Old Testament, it tended to emphasize the prerogative of the State as against the rights and liberties of the citizen.

The Church, during all the early ages of her history, was the great equalizing power in the Christian world. She stood over against the State as a rival—nay, in her own eyes, as a superior. She claimed to prescribe the duties and responsibilities of the State. In her eyes sovereign and subject, peer and peasant, master and servant were all equal, as they were equal before God. Salvation was the same for all, and it must be won by all on the same terms. The humblest of the people, if he entered the ministry of the Church, became *ipso facto* invested with a spiritual power which gave him authority over the highest and the noblest. It is impossible to overestimate the service so rendered by the Church to humanity. She, and she alone, inspired the principle of brotherhood and charity in an age of cruel selfishness. She alone lifted her voice against the oppression of the mighty ; she alone extended her shield over the weak, the suffering, and the desolate. She created and consecrated the home, and she lent her sanction to the sense of individual value in every inmate of the home.

It is true that the old tendencies of human nature soon reasserted themselves within the Church. She does not and cannot repress them ; but, if they reappear in defiance of her teaching, it is she who suffers discredit for them. Thus persecution is a natural instinct of human wickedness or weakness. It is not limited to the sphere of religion ; it permeates all life. But, when it becomes religious persecution, it is felt to be especially censurable, as it conflicts with the spirit or character of religion and of Christianity.

> It is an heretic that makes the fire,
> Not she which burns in't.[1]

So, too, tyranny, or monarchy, as it had been established in the ancient world, may have been inconsistent with the principles of Christianity. But it survived the conversion of the Western, as of the Eastern, world from paganism to the faith of Jesus Christ. The Papacy, as it extended and augmented its power, arrogated to itself all, and more than all, the authority of the State. It is not, indeed, difficult to discern in the Roman Catholic conception of the Church some of the elements which form, or tend to form, the modern Prussian conception of the State. There is the same subordination of all interests—in the one case to ecclesiastical, in the other to political, authority. There is the same repression or denial of intellectual and spiritual liberty. There is, or there has been, the same willingness to use force, as checking and thwarting the dispositions which militate against the efficiency of the whole. Modern Kaiserism is a secularized Papalism. Nor, indeed, does the practical reverence for the Kaiser differ intrinsically from the far more ancient and more logical reverence for the Pope.

The system of the Church of Rome, and so of Western Christendom generally, tended to become more and more monarchical. Democracy, as it is understood in the modern world, dates from the Reformation. Although democracy is generally regarded as political, yet in its origin, like many political movements or systems, it was spiritual. It depended upon the relation of the individual soul to God. Before the Reformation it was only through the long avenue of sacerdotal powers, of theological doctrines and ecclesiastical ceremonies, that the soul of man could draw near to its Maker. Luther swept away the obstacles which barred the immediate access of the soul to Christ and God. Liberty of conscience, the open Bible, the very change in the aspect or structure of the churches, were signs of the spiritual independence which the Reformation asserted for humanity. It is thus that the Reformation is the abiding test of the principles by which men and nations of men guide their lives. If they care most for discipline, order, and perhaps for grace and peace, they have remained or become Roman Catholic. If they care most for truth, freedom, and charity, they have chosen the steep and stony path of Protestantism.

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[1] Shakespeare, "The Winter's Tale," ii. 3, 146–7.

The new spirit is visible all along the line of the Elizabethan era. It is characteristic of Raleigh, Gilbert, Drake, and Frobisher, as it is of Shakespeare and Spenser. It is the spirit of men who have set out, in the faith of their own strong nature and purpose, for the conquest of new worlds, whether territorial or spiritual. In most of them, or in nearly all, the religious spirit survived the revolt against the Church of Rome. They were Christians still, but they were Christians in virtue of argument, not of authority. It is hardly too much to say that the triumph of democratic and individualistic sentiment was proportionate to the clearness and positiveness of the Protestant creed. The Presbyterianism of John Knox, if it did not create, yet consolidated the character which has made the Scotch people the most self-reliant element in the British Empire. The Puritan Pilgrims of the *Mayflower* were not unnaturally, although they were unconsciously, the founders of the greatest Republic upon earth. A philosopher may well feel surprise at discovering that anybody living in the twentieth century should be prepared, for any imaginary gain of catholicity or unity, to barter the spiritual liberty which his forefathers won by so long an effort and at so high a price.

But, as often happens, the underlying principle of Protestantism, or Puritanism, was slow in making itself universally felt. The Declaration of Independence, which is the Charter of the United States of America, was drafted, it is well known, by Jefferson. It begins by asserting, as a self-evident principle, that all men are by nature equal, and all are by nature free. There is a story that, when Jefferson was asked how he reconciled that assertion with the existence of slavery, he confessed himself unable to give a satisfactory answer. The difference of colour has, in all ages and in all countries, corresponded with a difference of social or political status. Whether the word " men " in the Declaration of Independence did, or should, include women, was a question left, and perhaps intended to be left, in uncertainty. But there can be no doubt that, in the United States of America as well as in the European world, events are tending towards the equalization of manhood and womanhood in politics.

Subject, however, to these considerable limitations, democracy, and equality as its natural issue, have, in the last three or four centuries, become more and more strikingly the axioms of modern life. For circumstances have insensibly tended to lessen or narrow the differences between one class and another in the same community. The gulf between the peer and the peasant is incommensurable with the gulf between the master and the slave. Education is no longer the property of the few ; it has descended to the many ; and the humblest labourer, when he reads his Sunday newspaper, can inform himself as easily as a statesman or professor about the course of events all over the world. Wherever political suffrage is universal, or nearly universal, the theory of "one man one vote" invests each citizen with the same influence as any other citizen upon the political history of his nation. One strange consequence has been an apparent perversion of the moral judgment. Because the majority of votes in the House of Commons or in an election decides the issue, it has been assumed that, whatever the will of the majority may be, it must be right. But the fact that votes, if they are numerous enough, confer power, does not ensure or imply that they constitute right. Too often has the minority or the individual been the representative of freedom or progress ; too often has the majority sinned against the light. Yet the working-man, however ignorant he may really be, has, in virtue of his education or his political enfranchisement, been led to think that he is as good and as wise as any one else. Even in modern warfare it is number which tells. The day when the issue of war could be decided by heroic individual valour has passed away. One man is like another ; and the nation which can send the largest number of its citizens into the field, if it can adequately arm them and train them, is the nation to which the promise of victory belongs in warfare to-day. All these are elements in the changing conception of life ; they all foster a general impatience of subordination or control, a claim to participate in all that makes life happy or comfortable.

The result has been manifest in various ways. It has shown itself in the ever-increasing demand of the people upon the State or the Government. Sometimes in the early days of modern democracy they were content with claiming equality before the law. In recent days they have, under the title of socialism or communism, claimed the assimilation of all classes upon one level of faculty and opportunity. Sometimes, again, the less highly placed or highly paid classes have demanded free education, and free, or nearly free, insurance against accidents. In times of exceptional stress they have demanded for their children free meals and even free medicines. The State has become more and more socialistic. More and more it has humoured and favoured the proletariat. While it has, justly or unjustly, increased the burden of taxation upon the rich, it has pretty well relieved the poor of all direct, and of much indirect, taxation. The people have been taught that they may gratify their own tastes, as in marriage, without restraint, and that, if difficulty or suffering falls upon them, the State must relieve it. The State has become their foster-mother. It has been the unfailing resource upon which they have fallen back as a remedy for their own faults and follies. There has been, in fact, a demoralization of the people ; and among the persons responsible for it none have been more conspicuous offenders against economical and social laws than the politicians, who have vied one with another in teaching the people, each for the ends of his party, to use their votes, not in the interest of justice or equity but for the assertion and advancement of their own privileges, against the other parties. It can be no wonder that, even under the stress of war, citizens, who have long been schooled in subservience to party, were, at first, slow to learn the lesson, and to exhibit the spirit, of patriotism. The Church, indeed, has taught, or professed to teach, duty—duty to God and to man. But that sublime principle of English life—the watchword which inspired Nelson at Trafalgar and Wellington at Waterloo—has been wellnigh deadened by the noisy cries of conflicting self-interests.

Yet the question, What can I get from the State? is essentially poor and mean in comparison with the question, What can I give to the State? For it ignores the citizen's primary obligation to the State which has been, in a large measure, the source of his personal and social happiness. It concentrates his desires and interests upon himself, instead of extending them upon a wide range of offices and responsibilities which reach beyond and above himself. There can be little doubt that in British schools, and especially in the elementary schools, patriotism has not been inculcated, as it might have been, and should have been, upon youthful hearts. How strong the effect of patriotic teaching in youth may be, is exemplified by countries like France and Japan. Even in Germany the spirit of patriotism, clouded as it is and often distorted by national pride and selfishness, still burns with an impressive lustre. The ancient Universities and Public Schools of England have nobly responded to the call of arms. It is with a splendid self-devotion that their sons have flung away their lives in the war. If elsewhere some hesitation was shown at first, it evidently arose from ignorance or misunderstanding of the relation in which the citizen stands to the State.

Modern German, or Prussian, militarism is not indeed rightly appreciated, except as a reaction against the individualistic tendency of life in Great Britain. The Germans had formed the opinion that Great Britain, as an Imperial Power, was decadent, if not actually dying. It was not in itself a wholly unreasonable opinion. Empires, one after another, have, in the ages of history, been born and flourished, have reached the acme of their might ; and then have gradually waned, decayed, and perished. Such has been the fate of all modern empires—the Spanish, the Portuguese, the French, the Dutch—except the British Empire. Whether the British Empire alone among the empires of the world will survive or not, is a question lying in the womb of futurity. But the Germans argued, or assumed, that the apparently universal law of empires would fulfil itself, soon or late, in the British Empire.

They held that Great Britain had lost the faculty of government. It could not, as they thought, control its Colonies ; it could not control India ; it could not even control Ireland. The spiritual forces, sympathy, affection, loyalty, by which peoples are held together, were unrecognized, and probably unimagined, by the Germans. No revelation of the war can have been more surprising to them than the spirit which has been displayed by South Africa. It was their confident expectation that the Colonies and Dependencies of the British Empire would rise against the Mother Country, so soon as she was engaged in perilous warfare. They have succeeded only, against their own will, in riveting the Empire by bonds which can never be broken. It is certain that, when the war is over, Great

Britain and the British Empire will be stronger, not only by force of arms and by the union of hearts, but in the respect of civilized mankind, than they have ever been before.

Yet the Germans thought they could discern the signs of British impotency, as much in the relation of the State to its citizens as in the relation of the Dominions beyond the seas to the Mother Country. They mistook tolerance for degeneracy. They watched, with sinister eyes, what they thought to be the revolt of various parties or interests against authority. It seemed to them that, if Great Britain could not rule the Labour Party, the Suffragist Party, the Anti-Vaccinationists, and the other conscientious objectors, she must have lost all political and martial efficiency. It is only right to admit that the German estimate of Great Britain might not have proved so hopelessly wrong, had it not ignored the moral and spiritual motives which are, after all, the sovereign principles of human nature. For Great Britain in the days before the war was undoubtedly less effective and impressive in action than she would have been, if her political system had not rendered her Ministers of State unwilling, or unable, to take cogent action against those persons or classes which would sacrifice, if they could, the national supremacy to their several and separate interests. *Kultur*, as the Germans call it, is efficiency; and if efficiency, attained by any means and at any cost, is the true object of a State, the Germans are, and have proved themselves to be, more efficient than any other people. For they judged, not without some reason, that individualism was, or ought to be, the ruin of Great Britain, and they determined that it should not be the ruin of Germany.

It is not difficult to trace the process by which the German worship of efficiency assumed its present character.

The State was the idol set up before adoring minds in the universities and schools of Germany. The Germans, young and old alike, were taught and forced to bow down before the golden image of the State. But the State rested upon force; the embodiment of force was the Army; and the State and the Army have in Germany been two names for one body. The State on its military side was the Army; the Army on its civil side was the State. All disloyalty to the Army was high treason. The Kaiser was the head both of the State and of the Army; and German writers, like German statesmen, have generally held that the Government of Germany must be monarchical, as monarchy was the governmental system which would best guarantee efficiency, and, above all, efficiency in war.

It is curious to notice how human nature, if it is checked and bound on one side, breaks out on other sides. The freedom denied to highly educated Germans in the domain of politics was accorded to them in the domain of philosophy and theology. Extravagance of speculative thought on all subjects outside politics was answered by its close circumscription in the political sphere. As a modern English writer has said, it was legitimate to deny the Divinity of Jesus Christ, but to deny the divinity of the Kaiser was *lèse majesté*. Let me quote from German writers some few passages as showing the modern German view of the State, the Army, and the Kaiser.

Nietzsche is the originator of the doctrine of the Superman. It may, or may not, be true that he owed his doctrine to the Darwinian theory of the struggle for existence and the survival of the fittest. But from the doctrine of the Superman there was only a step to the doctrine of the Superstate ; and that Superstate, as all Germans assumed, must, and could, be Germany alone. In public, as in private life, Nietzsche identified not only happiness, but virtue, with power. The following is a passage taken from his "Antichrist":—

> What is good? All that increases the feeling of power, will to power, power itself in man.
>
> What is happiness? The feeling that power *increases*, that resistance is overcome.
>
> Not contentedness but more power ; not peace at any price but warfare : not virtue but capacity (virtue in the Renaissance style, virtue free from any moralic acid).[1]

It was left to Treitschke to assert the supremacy of the State—i.e. of the German State, the assumed Superstate—over the whole life, moral as well as political and practical, of individual citizens. His teaching is so well known that it is not necessary to quote more instances of it than the following :—

> The moment the State (he says) calls : "Myself and my existence are now at stake!" social self-seeking must fall back and every party hate be silent. The individual must forget his own ego and feel himself a member of the whole : he must recognize what a nothing his life is in comparison with the general welfare.[2]

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[1] § 2.

[2] "Selections from Treitschke's Lectures on Politics," p. 23.

And again :—

> Since the State is power, it can obviously draw all human action within its scope, so long as that action arises from the will which regulates the outer lives of men, and belongs to their visible common existence. Historical experience, examined fairly and without prejudice, teaches us that the State can overshadow practically the whole of a people's life. It will dominate it to the precise extent in which it is in a position to do so.[1]

Such a book as Dr. White's "America and Germany" is replete with passages which show how the worship of the State has entered as an axiom into the political thought of German professors and literary men.[2] "In the German view," says the late Professor Münsterberg, "the State is not for the individuals, but the individuals for the State." "To the Germans," says Francke, "the State is a spiritual, collective personality, leading a life of its own, beyond the lives of individuals, and its aim is, not the protection and the happiness of individuals, but the making of a nobler type of man, and the achievement of high excellence in all the departments of life."

Not to multiply quotations, the truth, as Germans have lately conceived it to be, is well summed up by the author of Germany's War Mania" :—

> To modern German writers the State is a much more tremendous entity than it is to Englishmen or Americans. It is a supreme power; with a sort of mystic sanctity, a power conceived of, as it were, self-created; a force altogether distinct from, and superior to, the persons who compose it.[3]

The notorious military incident at Zabern was illuminating as a lightning-flash, and its significance has been enhanced by the events which followed it. Historians like Treitschke or Delbrück insist as strongly upon the supreme virtue of the Army as military writers like Clausewitz and Bernhardi. According to Münsterberg, the men who have achieved the marvellous progress of German civilization have acted in the conviction that "the military spirit is a splendid training for cultural efficiency." But as the worship of the State leads to the worship of the Army, so the worship of the Army leads to the worship of the Kaiser. "The idea of the Emperor is that he is the symbol of the State as a whole, independent of the will of the individuals, and, therefore, independent of any elections." He is "the incarnation of active and disciplined Germany."

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[1] "Politics," translated by Blanche Dugdale and Torben de Bille, vol. i. p. 62.

[2] pp. 174 sqq.

[3] p. 10.

A careful American observer has recently declared that "the German people are as inseparable from the Kaiser as we, in America, are from our Constitution." He adds that "the Social Democratic Party in Germany is, itself, organized upon the principle of submission to the monarchy, and does not in the least resemble the Democratic Party in the American sense of the word"—a statement true enough if the submission is understood to be not voluntary but enforced.

It is upon the ground of Kultur or efficiency that the Germans justify their system of government. But that from such a system flow certain consequences of grave and serious moment for humanity they do not attempt to deny.

The State is, in their eyes, supreme. It can do no wrong; it can offend no moral law; for duty to the State is the climax of morality. It can excuse no disloyalty or indifference. It claims, and it is entitled to claim, the subordination of every citizen, and in every citizen of his whole nature, body, soul, and spirit. Neither above, nor beside, the State is there, nor can there be, anything which a citizen can justly regard in comparison with the State itself. It would be amusing, if it were not distressing, to observe how German thought naturally rises above the individual, above the family, above the town, above the city to the State; but at the State it stops dead. It takes no account of Europe or the world, humanity or God. It takes, or it seems to take, no account of other States than the German. No feature of German political speculation is more remarkable than the narrow limits within which it moves. Even in the domain of philosophy and theology German writers have lately exhibited, and have felt no apparent shame in exhibiting, a curious ignorance of much that has been thought and taught outside Germany. But in political history they think of Germany alone. "The real hypothesis of all their reasoning is an exclusive nationalism. We read of *Deutsche Treue*, *Deutsche Tapferkeit*, *Deutsche Kultur*, until we begin to realize that the German mind lives in an exclusively German world of its own. The wind of the spirit that blows freely through Europe stops at the Rhine, and a new wind of the German spirit takes its place."[1]

[1] "Nietzsche and Treitschke. The Worship of Power in Modern Germany," by Ernest Barker, pp. 19, 20.

No authoritative German writer since Kant has, apparently, asked why England or France or Russia should not, in international relations, make precisely the same claims as Germany, and how, if such claims are made by all the great States, they can be adjusted without an unceasing warfare between them, until, at last, all the States are absolutely merged in the one supreme, victorious State. That State, as the Germans necessarily anticipate, will be Germany itself. For the essential superiority of the German people to all other peoples, as of the German State to all other States, is an axiom underlying much, if not all, that German publicists and philosophers have lately written upon the history and the destiny of mankind.

The worship of the State, and of the German State, is admittedly inconsistent with the relation in which Christianity has stood, or has aspired to stand, towards the national, no less than the individual, life. Nietzsche is no Christian at all. His hatred of Christianity is only second, if it is second, to his hatred of Great Britain. Bernhardi is a Christian after the Kaiser's own heart ; but he holds that Christianity, if it is good enough for the Church and the family, neither possesses, nor ought to possess, any influence upon the conduct of nations. The repudiation of the Christian faith is naturally followed by the repudiation of Christian morals. The individual man becomes no more than a machine. He is the subject or the serf of the State. Whatever the State bids him to do, it is his duty to do, because it is the will of the State, and nothing is, or can be, higher than the State. But the State, or the Army as the impersonation of the State, may, and will, commit every crime for its own ends. There lies in this doctrine of the State the germ of the "frightfulness," which the Kaiser preached to his troops before they sailed to China at the time of the attack made by the Boxers upon the Legations in Pekin, and which he has since practised, or ordered to be practised, in Russia, in Poland, in France, in Flanders, and in Belgium. If the Germans are called, and if they resent being called, Huns, it is only fair to plead that the Kaiser himself held up the example of Attila before their eyes. Unfortunately Attila has reappeared, but not St. Leo the Great. There is literally no action, however immoral, however inhuman, of which the Germans in their present mood would not be guilty, or would not be capable of being guilty, if it afforded them the promise or the prospect of victory in the war.

There has been, in fact, a reversion to barbarism. It may be scientific barbarism; it may be civilized barbarism; it may even be professedly Christian barbarism; but none the less it is barbarism.

The worship of brute force has asserted itself in two ways which deserve a passing notice. If force is the measure of right, then, as large States possess a force superior to small States, they are entitled to trample upon all such States as are not strong enough to resist them. Germany and Austria have so acted in relation to Belgium, to Poland, to Serbia, and to Montenegro. Yet, if history teaches any lesson, it teaches how great is the service which small nations have rendered to humanity. For among the small nations of the world must be counted the Jewish, the Greek, the Dutch—nay, the British. The elimination of the small States would be a loss unspeakable. Yet it is this loss which Germany aspires, and intends, to bring about.

Again, the Germans have waged the present war in almost complete disregard of human life. It has not seemed to matter in their eyes how many lives were sacrificed, or how great and wide were the sufferings inflicted upon the living in their own State, so long as the State could achieve its end. The spectacle of German soldiers in daily peril of being shot by their own compatriots in the rear, if they were not shot by their enemies in the front, has been to all minds and hearts, except the German, infinitely pathetic. Yet this wanton indifference to the fate of individual citizens, and, *a fortiori*, of individual enemies, is the direct outcome of the national alienation from the will of Jesus Christ, as He came on earth to be the champion of the weak, the sorrowful, the oppressed, and the bereaved, and to teach the value, and the equal value, of every human soul in the sight of the universal God.

But the reversion to barbarism has gone still farther. It has shown itself in a contempt for the arts and graces of civilization. German generals have been found to assert that no venerable buildings, sacred or secular, no church, no university, no museum, no picture-gallery can for a moment count in comparison with the progress and the predominance of German arms. German writers have been found to contemplate with a sinister delight the possibility of desecrating the graves of Shakespeare and Faraday. The violation of international compacts, to which the plenipotentiaries of Germany had formerly, or recently, set their hands, has been followed by crimes like the poisoning of wells, the sowing of the ocean with mines, and the dropping of bombs from Zeppelin airships on defenceless towns and villages. Science itself has been desecrated by a perversion of its discoveries to purposes as inhuman as the scalping of prisoners among the Red Indians in North America. The "hymns of hate," which have been popular in the German Empire, have been like the pæans of savages gloating over the sufferings of their enemies. Even the novel practice of driving nails into the statues of national heroes is an echo of the barbarism which the world had long believed to be dead and buried.

The *Kultur* of Germany may be, in German eyes, an advance upon pre-existing civilization. A German writer, Professor Ostwald, has formally declared "that Germany, owing to her genius for organization, or social efficiency, has attained a stage of civilization far higher than that of all other peoples. This war will, in the future, compel these other peoples to participate, under the form of German social efficiency, in a civilization higher than their own. Among our enemies, the Russians, in brief, are still in the period of the undisciplined tribe, while the French and the English have only attained a degree of cultural development, which we ourselves left behind fifty years ago. Their stage of culture is that of individualism; but above that stage lies the stage of organization or social efficiency, and it is this stage which Germany has reached to-day." [1]

That stage may conceivably be higher than any preceding stage in human history. But, if it is so, then human history is no record of development or progress. All that Christianity has done, or has tried to do, for the amelioration of society has been a fault or flaw in the evolution of mankind. Germany has asserted her superiority over the Christian nations of the world by reviving, with many terrible exaggerations, the barbarism which the Church of Christ had, in long ages, partially, and not unhopefully, subdued.

At the best, then, German *Kultur* is a fateful experiment; and in the lurid light of the experiment it is worth while to consider what is the true relation of the State to its citizens and of the citizens to their State.

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[1] Journal de Genève, No. 29, 1914; quoted in "America and Germany," p. 46.

There can be little doubt that, if citizens in the future are to discharge their patriotic duties, they must be taught from early childhood how heavy is their debt to the State, and how urgent is the obligation upon them to pay it by personal service and sacrifice. The individual will be regarded, not by himself, in the light of his own interest, but in his subordination to the State. He will realize that he cannot attain the perfection of his own moral or social nature, except in society ; and he will repudiate the idea of expecting and demanding the benefits which society confers upon him, without making an adequate return for them.

As the individual is dignified, first, by membership of the family and then of the clan and the town, so, too, will he gain further dignity as a citizen of the State. Patriotism is an inspiring and ennobling virtue, if only because it lifts a man's eyes above himself into the region of altruistic duties and responsibilities.

But if there is a brotherhood of individuals, so is there, at least in idea, a brotherhood of nations or States. It is an error to assume that one State can rightly conceive and execute a policy, which would be intolerable or impossible, if it were the policy of all States. Kant's great principle that it is a man's duty to act in such a manner as would be beneficial to the world, if all men acted as he acts, is not less applicable to States. It is, indeed, the Golden Rule enunciated by Our Lord, though perhaps in less persuasive terms than His who first laid it down. Statesmen and diplomatists, if they desire to promote human good, can pursue no better goal than that of inducing communities to act in the spirit of Christian gentlemen. Whatever distinguishes civilization from barbarism in personal life, e.g. a recourse to the judiciary for the peaceful settlement of disputed questions, should, in the long run, be practised by all the civilized nations of the world. The case of the *Alabama* has now pretty well faded from memory ; but it was a case which initiated the only sound Christian principle of regulating international disputes.

It may be argued that the true and the false spirit of a nation's life are nowhere more clearly seen than in its relation to its colonies and dependencies. "The white man's burden," as it has been so well called by Mr. Kipling, positively forbids such practices as Germany appears to have employed in the country of the Hereros or in the Cameroon ; but it prescribes the spirit which, upon the whole, though not without grave mistakes, has actuated the British Government in India, and that Government has found its reward in the general loyalty of the Indian princes and peoples during the war.

No doubt authority rests, and must rest, upon force. Yet force should be not that of one State armed against another, or against others, but that of the United States of Europe, and, ultimately, of the world, banding themselves together against the aggressiveness of any one State.

For there can be freedom in a State only when it allows freedom outside itself. But freedom is the condition of progress. The danger of suppressing individual opinion and action is as serious in a democracy as in a monarchy or an oligarchy. Burke has, indeed, argued that the tyranny of a democracy is the most dangerous of all tyrannies, because it allows no appeal against itself. If small States have done as much for the advance of the world as large States, if minorities have been as often right as majorities, if individuals have again and again asserted the wrong of laws or usages which had until then been universally accepted, if they have fought and suffered and, not seldom, died for the reforms which have made human life sweeter and happier, then it follows that the State attains, or comes near to attaining, its ideal, in so far as it allows every individual citizen the utmost measure of liberty which is not incompatible with the rights of other citizens and with the welfare of the State.

It appears, then, that education after the war will be directed more than it has been towards good citizenship as its goal. The citizen of the future will be instinct with the love of his country. He will estimate no personal sacrifice too heavy as a return for the benefits which his country confers upon him. He will feel proud of subordinating his private interests and ambitions to the public good. He will shrink from such trifles, disputes, and antagonisms as impair, and may even destroy, the efficiency of his State. But he will look upon his State as one member in the confraternity of States which constitute the sum of civilized humanity. He will prepare himself to defend his State by compulsory training, if not by compulsory service, in arms. But he will remember that his patriotism, good as it is in itself, may become an evil, if it ignores or disputes the rights of other nations than his own. The nations of the world are a family; and the more closely they are united by ties, commercial and political, the nearer will they approximate to the ideal of humanity. It is not by warfare, then, but by arbitration that States, like individuals, will aspire to settle their differences. There will be a Federation, such as the United States of Europe, which will bring the collective forces of the nations to bear upon any one nation which may be thought to aim at violating international peace. It is probable, as indeed President Taft once declared, that there will, in the end, be no international question which may not be brought before some such tribunal as the Court of the Hague. For when the love of country coincides with the love of mankind, progress—the only progress worth attaining and ensuring—becomes possible.

Many years ago, in 1842, the poet Tennyson, in "Locksley Hall," drew a prophetic picture. There were two elements or aspects in the picture. One of them has been already realized in the present war. The world has

> Heard the heavens fill'd with shouting, and there rain'd a ghastly dew
> From the nations' airy navies, grappling in the central blue.

It will be the sacred task of humanity in the future to realize the second aspect of his picture:

> Till the war drum throbb'd no longer, and the battle-flags were furl'd
> In the Parliament of man, the Federation of the world.

CHAPTER III

The Cultivation of Patriotism

By THE EARL OF MEATH

I HAVE been asked by the Editor of these essays to contribute an article on the Cultivation of Patriotism. I gladly accede to his request, for it appears to me that the sentiment of patriotism, when founded on the love of home and of free institutions, and when unalloyed by admixture with the baser qualities of arrogance and of vainglory, is a source of untold strength to a nation. Such a sentiment cannot be ignored with impunity. It cannot be forced by educators or statesmen, nor is it capable of being produced at the arbitrary will of the tyrant. It is a delicate plant which refuses to be cultivated on uncongenial soil, but, given the proper conditions of growth, it is in the power of the cultivator, either by neglect to starve it into atrophy, or by care and proper nurture to cause it to bring forth fruit, so that it shall repay him a hundredfold for his toil and attention.

No foolish fear of fostering a military spirit should ever lead those who have in their hands the direction of youthful education to stunt or repress the growth of this valuable sentiment ; let them rather guide it into healthy directions, where its progress, far from being a source of danger to humanity, may, by stimulating the energies and purifying of the motives of the sons and daughters of Britain, be the means of bringing untold blessings to millions of the world's inhabitants.

The present world-war has called forth a marvellous exhibition of the power of patriotic feeling amongst the free peoples of the Empire. His Majesty the King, in his noble Message to his people of May 25, 1915, pointed this out when he said : "I desire to take this opportunity of expressing to my people my recognition and appreciation of the splendid patriotism and self-sacrifice which they have displayed in raising by voluntary enlistment, since the commencement of the war, no less than 5,041,000 men, an effort far surpassing that of any other nation in similar circumstances recorded in history, and one which will be a lasting source of pride to future generations."

The self-sacrificing effort which the nation has made to supplement these large figures by placing at the disposal of the Government the services of every man fit for national work between the ages of eighteen and sixty is another proof of the existence amongst the peoples of Great Britain of immense reservoirs of patriotic feeling, and a similar spirit is manifest in all portions of the Empire. Compulsory national service has been adopted in Australia and New Zealand, and doubtless will shortly be in force in the other self-governing Dominions.

If the war should last for a considerable time longer, it is probable that compulsion will be enacted in the case of women who have not offered their services to the State, for work of a national kind suitable to their sex. The exhibition of patriotic feeling amongst women, and the splendid manner in which they have spared neither health, strength, nor money in advancing the public interests, has strengthened the hearts of men, has added to the glory of Britain, and has established a national asset of incalculable value. They have proved themselves worthy to be invited to take their part in the future in the government of the British Empire and in the maintenance of its honour.

Such has been the power of patriotic feeling amongst the vast majority of the freedom-loving British peoples; but let not our justifiable pride in this exhibition of patriotism blind us to the fact that there have been unmistakable signs amongst small sections of both rich and poor, especially in the British Isles, of a selfish, indifferent, cowardly spirit which has declined to associate its interests with those of the community at large, and has to the best of its power attempted to seek exemption from all national sacrifice. These sections are principally to be found amongst those who have grown suddenly rich and who have managed to escape from the responsibilities attaching to wealth, and, at the other extreme of the social hierarchy, amongst those who have become victims of the exploitation of the former class, or who by misfortune or their own weakness have sunk to such depths of misery and penury as to render the growth in their minds of any patriotic feeling an almost absolute impossibility.

The experience we have gained in this time of national war stress should guide our conduct in the future. Recognizing the value of patriotism, we should do our utmost to cultivate the sentiment amongst all classes, and especially amongst the young. It is evident that it is a plant which needs a congenial soil. Let us remove all hindrances to healthy growth ; let us break up hard, ungrateful soil, and replace it by rich and fruitful mould. We shall be repaid a hundredfold for our trouble.

There must be an end to slums, to exploitation of labour, and to all conditions which contribute towards a low national standard of moral, mental, and physical health and strength. Lord Beaconsfield once said : "The public health is the foundation on which repose the happiness of the people and the power of a country. The care of the public health is the first duty of a statesman." We must see that the people are provided with decent homes and with the means of acquiring with ease a direct interest in the soil which under present legislation they may at any time be called on to defend. "The foundations of national glory," said King George V, "are set in the homes of the people, and they will only remain unshaken while the family life of our nation is strong, simple, and pure." True and noble words, which it behoves us never to forget !

What are the steps, then, which can be taken to encourage the cultivation of patriotism?

1. Every effort should be made in the schools to explain to children the solid foundations on which British patriotism is founded—to point out to them that, notwithstanding much which is regrettable in the conditions of life at home, speaking broadly, in no country, and under no form of government outside the British Empire, are more equitable laws, purer justice, and more righteous administration to be found.

2. Greater attention should be paid in the schools to the teaching of the history and geography of the Empire, and some knowledge should be imparted in regard to the characters, religions, ideals, customs, and manufactures of the 420 millions of our fellow-subjects throughout the world.

3. Greater stress should be laid in schools on the teach-

ing of practical subjects which would enable every boy when he left school to be able to earn his own living, and every girl to be able to cook, to make her own garments, to care for a baby, and to keep house.

4. Both boys and girls should be taught the rudiments of hygiene, sanitation, and physiology, so as to have some slight knowledge of the causes of disease and the means which can be taken to avoid it.

5. The training of children in character and in self-restraint should take precedence of mere book-learning—and the co-operation of parents should be invited in all schools in order that such training may be properly continued at home. The "Duty and Discipline Movement" might perhaps assist in this direction, and the adoption of the "Boy Scouts" and "Girl Guides" curricula as part of the training of every boy and girl attending schools should form part of a national system of juvenile character training.

As the founder of the "Empire Movement," the watchwords of which are "Responsibility, Duty, Sympathy, and Self-sacrifice," perhaps I may be excused if I suggest that a more general adoption of the movement throughout the entire community, and especially in the schools of the Empire, would materially assist towards the cultivation of a national and imperial patriotism founded on sane and reasonable lines. It need hardly be pointed out that it is the moral character of the people of a nation which determines the position which such a nation shall occupy in the world.

It is useless to multiply armies and fleets, to supply them with the most modern appliances of war, if the men behind the guns are ignorant of the meaning of the terms loyalty, obedience, self-sacrifice, courage, and devotion to duty. The same remark is equally true in regard to the avocations of peace. The country may possess richly endowed universities, colleges, and technical schools; its factories may be supplied with the best machinery; but if its merchants, its manufacturers, and its workpeople are self-seekers, devoid of honesty, careless of the general weal, idle, and profligate, ruin will sooner or later overtake that country, and sooner rather than later.

If we desire the cultivation of patriotism amongst the rising generation, support should in the first place be given to any efforts which may be made by parents and teachers, and by organizations like the "Duty and Discipline Movement," of 117 Victoria Street, S.W., to instil into the minds of the young the importance of certain virtues which in the past have been sometimes neglected—namely those of unselfishness, and of respect and of obedience to lawful authority. Without these virtues no people can become permanently great. History distinctly teaches us this lesson. Wherever and whenever in the past history of the world a people have become united by reverence for the powers that be—whether these powers were represented by an autocrat or by a popularly elected ruler—or whenever and wherever a people have been animated and united by some common ideal of a personally unselfish character, there and then that people have stepped into the front rank amongst nations. When, on the other hand, a people have lost respect for their rulers, or have allowed the selfish interests of the individual to take the place of devotion to the State or the common good, then, however apparently strong, however rich, however lavishly equipped either for peace or war, that people have ultimately fallen from their high estate.

The lesson of civic duty needs to be taught to both rich and poor. If in the past the rich had been more alive to their civic duty and had taken a more personal and active interest in the welfare of the masses, and in the training and education of the people, there would have been less class hostility, and the opening of this war would have found us an even more united nation than it did. The patriotism displayed by the nation has been great, but British patriotism has during the course of the war been not infrequently robbed of half its effective force through a national lack of discipline and of preparedness for all eventualities.

Let us see to it that in future our patriotic fervour be not weakened by lack of discipline. Let us remember that no nation can be permanently strong which declines to be united by the fortifying cement of discipline. Let us not be misled by words. Hatred of German "Kultur" and of the cruel, heartless discipline practised by our enemies should not blind us to the imperative need of a reasonable discipline, without which it would be impossible for the free nations of the world to withstand successfully, either in war or peace, the concentrated blows of a trained military autocracy seeking the domination of the world.

We cannot hope to engraft the civic virtues on an undisciplined race. Let our first endeavour in the cultivation of patriotism be to restore, where lost, a reasonable discipline to the home and to the school, and then we may hope to instil that sensible loyalty to King and Empire, that sense of duty to the State and to the community, that love for our fellow-creatures, which shall enable the subjects of King George, in whatever part of the globe they may reside, to think, not only imperially, but nobly and intelligently, thus rendering them worthy of the vast privileges and responsibilities to which, in the providence of God, they have been called.

Our word is peace, our rights are equal laws,
  Our arms of love we spread from sea to sea,
Our life is progress toward the broader cause,
  Our hope, through justice, to give liberty.

CHAPTER IV

The Alien Question

By SIR H. H. JOHNSTON

It is requisite to approach this problem of the United Kingdom and of the British Empire in general without the slightest prepossession founded on ignorance—ignorance especially of ethnology and history. Unhappily, all British Governments down to 1916, Government permanent officials of all Government departments (with a few exceptions), all schoolmasters, all Civil Service Commissioners, have united to oppose or neglect the teaching of ethnology in our primary, our secondary, our public and proprietary schools. Ethnology, it is true, is treated admirably and on a broad basis and yet with scrupulous regard to detail at our great Universities; but as it does not figure—to any extent that matters—in the curricula of all Government examinations, it is very seldom taken up as a subject of learning, even by those of our fellow-countrymen who desire to serve the Empire abroad. It is still less studied by the classes that furnish the members of the House of Commons or the House of Lords. Similarly, history—above all, modern history and history which takes the sciences into account—is neglected in the education of all parts of the British Empire. Therefore our statesmen, our journalists, our men and women in the street, our politicians, and almost every one except the clergy and a few men of science approach the question of Alien Emigration, of the naturalization of persons not of British birth, with prejudice, rancour, or unintelligence. I except the clergy of all denominations and churches from my diatribe because the influence of missionary societies has been enormous in liberalizing religion and in imparting—I will not say an internationalism so much as an inter-Imperialism—into the concepts of the Anglican, the Roman Catholic, the Presbyterian, the Congregationalist, the Baptist, the Methodist, the Quaker, and the Unitarian.

What does the study of anthropology and ethnology teach us in regard to the past history of the population of the British Islands? It shows us that in ancient times Great Britain and Ireland were fantastically shaped peninsulas of France and Flanders, and that they received thus from North-West Europe primitive races that were fleeing from rivalry with more advanced types, or bold and reckless pioneers of these newer types that were seeking fresh and unspoiled hunting-grounds, grazing lands, root- and nut- and fruit-bearing forests. The peopling of Great Britain in Palæolithic times was often interrupted and greatly restricted by climatic conditions. The Ice Ages must have wiped out the first colonizations, most of the second and of the third, and the damp and misty climate that succeeded have restricted Post Glacial human settlement to the grassy downs or the sea-coast. The stony mountains were too bleak, the forests too dense and too thickly inhabited by dangerous wild beasts.

The earliest type of Briton as yet discovered—the Piltdown man of Sussex—was an ape-like creature, with pointed and projecting canine teeth. He was apparently succeeded by races more akin in skull form to the Australoid and the Negroid; then at a much later date came the Cro-Magnon type, possibly the first definite example of the highest type of *Homo sapiens*, a generalized Caucasian not without suggestions in his skull and leg bones of the Mongol and the Negroid. In appearance he may have resembled both the higher types of Red Man in North America or the tall peoples of North-West India.

Then, as he died out or became fused with preceding types of population, there may have been invasions in the far North of Scotland and Ireland by the Eskimo, coming from Boreal Europe; while the South of England, and soon afterwards all Ireland and much of Scotland were penetrated by the Mediterranean or Iberian type of man, akin to the basis of the population in modern Spain and Portugal, Western and Southern France, Italy and North Africa. These were probably the people of the Neolithic or perfected-stone-implement civilization. Then, again, Eastern England was reached from the coasts of Flanders and Holland by a round-headed type which may or may not have been akin to the Alpine peoples of Europe and, farther back still, to the Mongols of Central Asia. They brought with them, at any rate to some extent, the first use of metals, improvements in pottery, and possibly the art of domesticating animals and the pursuit of agriculture.

Some three thousand years ago or less arrived the first Aryan populations, able to impose themselves on the preceding amalgam of British races by their bronze weapons, their superior physique, their more warlike qualities. Quite possibly they were themselves of mixed racial type, in which, however, the Nordic or fair-haired man of Northern Europe and Russia prevailed. For many centuries they were the dominating racial type in our two Islands. They were the ancestors of the Goidhelic Kelts, and their supremacy began to be contested about 600 B.C. by the British Kelts, whose language still persists in Wales. The ancestral British came from the estuary of the Somme and from Belgium. They subdued the greater part of England and Wales and South-West Scotland, and possibly attempted occasional incursions into Ireland.

The rest of our country's ethnological composition is set forth in written history. The southern coasts of England, and perhaps of Ireland, were in all probability visited by the Phœnicians, but they were first definitely reached by the Greeks of Marseilles about three hundred years before the Christian era. In B.C. 55-54 the Roman conquest of Britain began, and by the middle of the fifth century of the Christian era had linked up England to a remarkable degree with the civilization and history of Western and Southern Europe. Not even the huge extent of Teutonic colonization which ensued from the beginning of the sixth century onwards could efface this latinizing of England, Wales, Scotland, and Ireland. The Romans at one time had conquered half Scotland. They never reached Ireland as conquerors, but their civilization was carried thither by British missionaries ; and Ireland in the Dark Ages was a more Christian country than England, and actually sent out missionaries to hasten the Christianizing of Germany, Holland, and Scandinavia. Ireland also took advantage of the breakdown of the Roman power in Britain to conquer and colonize portions of Wales, the Isle of Man, and much of Scotland. This action either brought back to Great Britain or established there for the first time the Goidhelic language, still spoken in Western and Central Scotland and the Isle of Man, and only extinct in South-West Wales since about nine hundred years.

The nearly five centuries of Roman rule had undoubtedly imported many different racial types, many "aliens" into England and Wales.

I continue to harp on the subject of Wales, because North Wales and Anglesey, especially, seems to have attracted a very considerable degree of Roman colonization. The Romans here fought out the last of their battles with the Druids, whom they had chased from France and followed up through the forests of Britain. You may see to-day in North Wales most interesting churches—the disestablishment of which shows the complete lack of ethnological knowledge in the British Government—which had been first of all Druidical temples and were next converted into Roman Christian churches, remaining as such, with scarcely an interference from the Saxons, until they were remodelled and touched up by the French civilization of mediæval England or the hideous utilitarianism of eighteenth-century English Christianity.

The Romans, therefore, must have established many an Italian, Dalmatian, Pannonian, German, Gallic, or Spanish settler in our principal island, who intermarried with the British women and left his strain behind him.

But the greatest ethnological event in our history was the Germanic conquest of England and Lowland Scotland between the sixth and the eighth centuries. These apparently long-headed, "Gothic" types from Western Germany came chiefly from what is now Holstein and Southern Slesvig, from Oldenburg and Frisia, and were represented, in the wording of contemporary history, by the Angles, the Jutes, and the Saxons. The Angles and Jutes probably spoke a Low German dialect, of which the existing Platt-Deutsch is the descendant, while the Saxons were more likely identified with the modern Frisians, and their language became the chief parent of "Anglo-Saxon," modern English, and the Friesisch dialects of Slesvig, Oldenburg, and North Holland. The Angles, Jutes, and Saxons were pre-eminently a fair-haired, blue-eyed people, of robust build and good stature, and with skulls that were long in shape rather than broad. They found in our Islands a population which, similarly, was for the most part dolichokephalic, though with a broad-headed element in Eastern England that had remained from the time of the Bronze Age. The Scandinavians—Danes and Norwegians—who began to colonize Britain and Ireland between the ninth and the eleventh centuries were also long-headed. In stature they were even taller than the Anglo-Saxons; they were blonder and more uniformly grey-eyed and blue eyed, though amongst them occasionally appeared dark-haired and dark-eyed Danes, who still remain as the relics—possibly—of the Bronze Age peoples in Jutland.

Anglo-Saxon rule over England was rudely upset by the Norman invasion of 1066. These Normans, who henceforth became the aristocratic caste in England, Wales, Southern Scotland, and Ireland, were themselves a very composite type—perhaps the finest and handsomest human development that history has known, the culmination of the White man. They consisted of a blend of Scandinavian, Frank, and Romanized Kelt; indeed, they represented in themselves once again the principal strands of the British people. They brought with them a Latin civilization and a dialect of the French language. They made our English tongue what it is to-day, a speech mainly of Germanic stock but stuffed with Greek and Latin words, either derived through the Norman French or by the direct and artificial action of the Latin schoolmen. The Normans conquered Ireland, and the conquest was further carried out by their Angevin successors. The Crown of England had passed from the family of William the Norman to the descendants of Fulke of Anjou, which meant that the Royal Family of Britain and Ireland was of much more French stock, had more of the aboriginal Iberian and Alpine elements in its composition, than its predecessors from Normandy. The English King ruled on both sides of the Channel, and his domain in France extended to Gascony, with the result that many adventurers of Basque, Iberian, Auvergnat stock came to England and founded great families, whose blood percolates through all our English, Scottish, and Irish aristocracy.

The French Kings of England were practical men, and found both England and Ireland in a state of very imperfect civilization as regards the arts and industries. They noted the remarkable civilization of Belgium and South Holland, and imported during the twelfth, thirteenth, and fourteenth centuries hundreds, even thousands, of Flemish artisans, artificers, agriculturists, stock-breeders, and planted them in colonies throughout the coast regions of Wales, of East

Anglia, and Southern England. A trend of colonization also from France had set in with the advent of William the Norman, which scarcely ceased until Tudor times. A century or so before the first Tudor—the first really British—dynasty ruled over England and Ireland, Italians had begun to come here in search of employment: men full of new and brilliant ideas, especially as regards navigation. One of these Italian families—the Cabots—induced Henry VII to supply ships and money for a great oversea adventure—the crossing of the Atlantic to find North America. The Genoese had already led British commerce by the hand into the Levant, and right across the Levant to Persia and Central Asia. Venetians and Genoese, alike, in their bitter rivalry with Spain and Portugal, egged on the English in Tudor times to establish trading stations on the coast of West Africa and in Turkey. In Tudor times we had no British portrait-painters, few, if any, British goldsmiths or artificers in the precious metals. We imported and employed in these capacities Italians ("Lombard Street"), who in course of time became British citizens and founded English-speaking families.

In the seventeenth and in the eighteenth centuries came the invaluable French Huguenots from Western France and Southern France, and some of our most distinguished British citizens at the present day are of French descent on one side. Several of the leading industries of Belfast were founded and are still conducted by men bearing French names. French names, indeed, not only of Norman and Angevin descent but of much more recent origin, stud the Army lists and the Navy rolls, the Indian and Diplomatic services, and stand out prominently in the achievements of British science.

The very wars between Britain and Spain and the alliance between England and Portugal during the sixteenth and seventeenth centuries brought numerous Spaniards and Portuguese to our coasts, either as shipwrecked mariners, prisoners of war, or voluntary exiles. Many of these remained. Many of them stimulated British enterprise across the seas. Most of them founded British families. More Spanish and Portuguese names were implanted in our country by the readmission of the Jews into England under Oliver Cromwell. The result of this action, which perhaps chiefly took effect during the eighteenth century, was the inclusion amongst British names of the Basevi, the Souzas, the Disraelis, or the Lopezes, and the almost innumerable patronymics of Spain, Portugal, Venice, and Northern Italy which appear in the political and industrial annals of Great Britain, which stand out so prominently in the scarcely written history of the British West Indies (where the Jews ever and again acted as unacknowledged intermediaries between Spain and England). Readers of this book scarcely need to be reminded that during the latter part of the sixties and much of the seventies the United Kingdom and the British Empire were virtually ruled by a Jew of Venetian descent, hailing farther back still from Spain; and this great Jew—Benjamin Disraeli—who left a lasting mark on the history of Britain and of the world, was encouraged and partly saved from financial anxiety by the generosity of a Jewess of Portuguese descent (Mrs. Brydges Williams).

William of Orange conquered Ireland and established himself as King of England, Scotland, and Ireland, chiefly with the aid of Dutch troops and Dutch generals, whom he made peers of the United Kingdom. He introduced many Dutchmen into the British service and into the British aristocracy, where their names figure prominently. Queen Anne, like her great-grandfather James I, had a Danish consort, whose residence here attracted a few Danish followers, the descendants of whom still spell their names *-sen* instead of *-son*. George I, and for a short period George II, imported thousands of German soldiers to maintain them on the British throne. All through the eighteenth and the first half of the nineteenth century the influx of Germans, due to the German origin and relationships of our dynasty, was most noteworthy and vastly beneficial to the home and imperial progress of the United Kingdom. I have said in other books that it is not easy to write a well-packed page of the history of the British Empire without bringing in a German name—if one is to write that history truthfully. A German accompanied as second-in-command the great Alexander Mackenzie when he crossed the Dominion of Canada from east to west and planted the British flag on the Arctic Ocean and on the Pacific Coast. Germans figure quite as much as English, Scottish, and Irish pioneers in the opening up of South Africa, in the discoveries of India, in British East Africa, in British West Africa, in Australia, in New Zealand, and in Tropical America.

The nineteenth century saw Britain becoming the home of many a political refugee—Hungarian, Italian, Prussian, Badenisch, and Pole. Eccentric some of them might have been in their political propaganda, but most of them were brilliant men, who achieved great distinction in our home or foreign service. Of such a type, for example, was Antonio Panizzi, who was long at the head of the British Museum. In our own days thousands of Germans, and still more thousands of Russian, Polish, and Rumanian Jews, have come to England to seek peace, a respite from religious or civic persecution, and a livelihood. A small proportion of these adventurers have been wicked people, coming here to develop vile industries, but nine-tenths of them at least have ultimately proved citizens of distinct value, from their ideas, from the wealth they have made and have spent in Britain and on British interests. In our great Imperial adventures—most of them very splendid, some of them very shady—German or German Jewish names figure markedly. One German financier intervened financially to save Egypt for the British Protectorate. Several German financiers beguiled timid British statesmen into the planting of the British flag here, there, and elsewhere in Africa, even when it frustrated the designs of Imperial Germany. Prior to the outbreak of this lamentable war, if any British man of genius wanted to start a new venture that was literary or dramatic, the opening up of a new country, the carrying out of a brilliant invention in industry, in chemistry, in science generally, to whom did he first appeal? Usually to a German, and most often to a German Jew. Facts are facts, however they may be unwelcome at this and that stage of our national history.

In short, the summing up of this historical survey is that throughout its known history, from the date of the existence of Piltdown Man to July 1914, Britain and Ireland have not only received colonization from almost all types of the European peoples, but more than any other part of Europe they have been enriched, stimulated, built up into the most magnificent position that any nation has yet known in the history of the world by a succession of alien immigrations. The literature of Shakespeare is virtually international; the English language is virtually international, as it has borrowed from more sources than any other example of European speech. British art and architecture are international. British science is international.

We are really—we British people—the pick of Europe, because we have not shut out immigration, because we have welcomed new-comers and new ideas.

This war, however, has caused a great searching of hearts. It has been estimated that even since the expulsion of most of the Germans we have still in our midst an alien population of 200,000—Russian, Polish, Rumanian in origin mainly, but also Swiss, Swede, Dane, and Italian; French, Belgian, and Portuguese. Great Britain and Ireland still contain, despite the discomforts of the war, many men and women of United States nationality, but in this case the distinction between the two peoples is almost derisory. An Englishman is scarcely a foreigner in the United States, and to no greater degree is the American man or woman in Britain. Are we to make the existence of "friendly" aliens uncomfortable so that they eventually leave our shores? Are we to refuse any more formal naturalization of foreign-born people? Are we when the war is over to take special means to prevent people from other European countries coming here to reside and do business and perhaps settle down. Some suggest whilst the war is going on that we should constrain all men of military age and of friendly foreign nationality to leave Great Britain and repair to their respective countries of origin, there to do their duty as soldiers. This seems an unanswerable proposition, except when special exception is made for political refugees that might be maltreated at home, or persons of weak health and poor constitution. But this temporary measure will not solve the greater questions of naturalization and future immigration. How are we to deal with these?

Mainly on their merits and by no sweeping dictum, affirmative or negative. A foreigner of worth who has proved his value to the British community by a sufficient term of residence and a sufficient creation or importation of wealth ought certainly to be naturalized if he asks for the privilege. We should be surprised if our fellow-subjects who had invested their all of wealth and energy and talent in the United States (for example) might not be given naturalization for themselves and their descendants if they desired it. We know that there are many naturalized families of British descent in Russia, in France, in Italy, and in other European countries. But naturalization should be a carefully considered privilege which is not granted to any persons who by their poverty or their lack of proof of sterling qualities are not worth making into British citizens. However we may sneer at wealth and however rightly we may insist on the equity of methods by which wealth is attained, we cannot deny that it is a factor of importance in estimating the value of individuals and races.

Should immigration be continued without much further restriction when the war is over? Herein we must be guided by the rise or fall of our birth-rate, and to some extent by the nationality, physical and mental qualities of the immigrants. Theoretically, if we are to write and interpret history on the lines of truth, we must admit the enormous indebtedness of the British people in all the centuries which precede the twentieth to Germany. The British people in the main is a Germanic people and speaks a Germanic language. Because Prussia has poisoned Germany, because there are cruel Bavarian Roundheads, that is no reason for denying the very great physical and mental value of the Germanic millions on the Continent of Europe. Undoubtedly, Germany has been well served by her special spies established in England, Scotland, and Ireland prior to 1914, and even cleverly maintained here in many cases since the outbreak of war. But these in actual numbers are small in proportion to the honest German immigrants who, if they did not return to Germany by expulsion or by patriotism, have maintained a perfectly honest and upright attitude towards their adopted country. They have deeply regretted the gulf which now yawns between Britain and Germany; a gulf which doubtless cannot be bridged for another fifty years, and which has been widened and deepened by the murder of Edith Cavell, Captain Fryatt, and the passengers of the *Lusitania*, the *Falaba*, and the innumerable other merchant ships sunk without warning by German torpedoes, by the hideously cruel maltreatment of British prisoners of war, and by the many other unforgivable war outrages of the German military caste. In the state of public opinion after the war it may be impossible for a British Ministry to accord naturalization even to those interned Germans against whom no accusation of treachery can be brought; and certainly until a complete change in German feeling towards Britain and the British Empire is manifested by a political revolution against the Hohenzollern dynasty, it would be necessary to discriminate in our immigration laws against

Germans and in favour of the subjects of our present Allies. But the general question of admitting foreign immigrants as residents must after the war depend greatly on the numbers, the birth rate, the prosperity of the British peoples.

Our attitude towards Germany for the next fifty years, or even a century, will depend very much on the events of the next two years. If Germany remains faithful to the Hohenzollerns to the conclusion of peace and beyond, we can have no dealings, commercial or international, with Germany which can possibly be avoided. But as regards the main question of alien immigration, I would submit that we should be wiser to continue to leave things as they are or as they were prior to August 1914—namely, carefully to scan all immigrants, to reject those whose physical constitution, mental ability, and moral history do not come up to the requisite standard, but to put no obstacle in the path of those who are likely to prove valuable citizens. Certainly not from any superstition as to the existence of any special British race or class ; seeing that we are compacted of all European types, with a dash of the Asiatic and even of the African, and that *we* do not hesitate to plant ourselves in foreign countries.

But those countries are usually thinly populated for their size and capacity of food production. We do not want Great Britain and Ireland to be an ever-open receptacle for very poor immigrants who will sharpen the struggle for existence among the poverty-stricken in our own land. We might even forbid pauper immigration until the social fabric of Great Britain is so reorganized that poverty, insufficiency of good food and good housing, and "sweated labour" are extinct ; and until hours of work are so graded that no citizenness or citizen is overworked or without a reasonable proportion of time for education, rest, and recreation. But I see no reason why our immigration laws should be framed to keep out from residence, or even from naturalization, foreigners of good repute, of useful talent, and of sufficient means.

As to conditions of naturalization, I think those recently issued by the Unionist War Committee not unreasonable, except the last, No. 5. Here they are:—

1. The principle of parentage should be substituted for birth as the basis upon which British citizenship may be acquired.

2. Seven years' residence in British Dominions before naturalization.

3. Renunciation of allegiance by the applicant for naturalization of his previous nationality.

4. Full disclosure of previous history and business of every applicant for naturalization.

5. No naturalized person to be eligible for either House of Parliament, or the Privy Council, or any civil office of the value of more than £160 per annum.

I believe myself that we have done well for the Empire and for the United Kingdom hitherto by taking a large view in regard to this fifth proposition. I really do not know—nor even much suspect—any instance in which any naturalized British subject admitted to these high honours has been false to the trust reposed in him, save in the one notorious case of Trebich-Lincoln. On the other hand, enormous benefits to the British Empire have accrued by the Britannicizing of talented and wealthy foreigners who have figured in our Parliament and our Privy Council.

I think there ought to be a national discrimination. It ought to be as easy for a United States citizen to be naturalized a Briton as for one of us to be naturalized an American—on the lines of our international penny postage.

II

NATIONAL EFFICIENCY

CHAPTER V

National Education

By VISCOUNT HALDANE

In the summer of 1914 humanity met with a staggering shock. Of a sudden war broke out without parallel in history for the magnitude of its scope and for the extent of the values which it threatened. The destruction of life and property became as ruthless as it was farspread, yet none of the nations involved paused to look back. It was for all of them a conflict of ideals and a struggle in which the individual was forced to realize that the cause was everything and he himself was nothing. In this titanic effort the violence and the passion have deflected thought as profoundly as action.

Such is the situation, and it is one which inevitably gives rise to new and far-reaching problems. It is already evident that in the case of each of the nations engaged the recovery of its old position when the war is over will depend on the possession of character and of mind, of resolution in action and capacity in thinking. It is to the development of these among the peoples they guide that the national leaders may be called on after the war to devote their first thoughts. In the struggle to excel in this development the various nations will compete, and, if success in the competition is to be attained, concentration and resolute effort will be essential. In this country we dare not let time slip by without taking action, if it be only in the direction of clearing our thoughts as to the course we must adopt. For it is certain that without much preliminary thought confusion and vagueness will result.

For us the interests of the coming generation are all important. These interests will be profoundly dependent on the way in which we educate those to whose hands we shall in the course of nature have to transfer the torch. The planning of such education is like the planning of a campaign. It requires what may be called General Staff work of a high order, for without this preliminary work indecision and waste will be inevitable. We have been unwilling witnesses in the course of the present war to the advantages which are attained when a body of picked military thinkers have for long years been set aside and segregated from all direct concern with administration and business, in order that they might devote themselves to the organization of armies and to strategical objects towards which the instruments made for the accomplishment of these objects could be directed. Such work implies the study of possible campaigns far in advance, and systematic elaboration of the methods for their prosecution when decided on. It has not been our strongest point to concentrate on thinking ahead in war, or, for that matter, in affairs of a different kind. We are a good deal better in this respect than we used to be. But other countries have been developing the habit yet more rapidly than we have. Those who seek to plant ideas here and to water them find that what is planted is of disappointingly slow growth, and that its life is apt to prove precarious. To induce a permanent habit of reflection and to render it useful is no easy task in these islands, where what Matthew Arnold long ago called "inaptitude for new ideas" is a general defect.

This inaptitude prevails in education not less than in other subjects. It is true that if we turn back to what Matthew Arnold himself and other educational reformers wrote half a century ago we shall see, by comparison with the state of matters to-day, that much has been accomplished; indeed, most of what they asked for. The Act of 1870 gave us a general and compulsory system of elementary education. The Act of 1902 extended the organization of this system and much improved it, by rendering it possible to get free from a technical rule which limited what could be legally taught in the national schools. In Scotland the Education Act passed still more recently in 1908 has carried the process a stage further, with the result that instruction of a secondary type is more widely provided there than it is south of the Tweed. Again, an immense advance has been made throughout

Great Britain in the development of technical education. Much of it is given in special schools and institutions, but even in the ordinary schools, both public and private, there is increasing recognition of its value and provision of facilities. Then there has been a marked extension of the activities of the teachers in the Universities. Oxford and Cambridge have opened their doors to the movement for recognizing Applied Science as among subjects which may be of a true University type. But still more striking has been the establishment of the new Universities. Of these there is at last a considerable number in existence. What used to be merely University Colleges, institutions in great cities of interest only to a comparatively small section of the community and inadequately endowed and supported, have been developed into Universities with a high place in the city life and with resources in all cases largely increased. At the outset there was a good deal of opposition to the effort to get this done. There was much talk of the danger of Lilliputian Universities and of low standards of teaching and examination. But this question was brought to trial by the State before a very high tribunal, and a firm decision was given in favour of the principle. It is remarkable, as showing how slight has been the public interest in education, that the newspapers hardly noticed and did not report the proceedings which took place before the Special Committee of the Privy Council which conducted a semi-judicial inquiry into this subject in the end of 1902. The occasion was the petition of Liverpool for a charter of incorporation as a University for the University College. The petition was keenly opposed by the supporters of the old Victoria University. This was little more than an Examining Board at Manchester which granted degrees to the students of several colleges in the North of England, for whose students it conducted external examinations, without controlling the colleges or influencing the atmospheres in which these students were educated. The question was whether for this type of so-called Federal University there should be substituted in Liverpool and Manchester teaching Universities, where the degrees might be given locally by those who had watched the records as well as the examination papers of the undergraduates. The opposition was of an influential character. It came from men some of whom afterwards, when the new Universities had at last come into existence, threw themselves whole-heartedly on their side. But the resisting party was large and was at first of a formidable character. Finally the matter was decided by a very remarkable Committee of the Privy Council which sat and heard counsel and witnesses at length. The late Duke of Devonshire, then President of the Council, presided. His colleagues were the ex-Prime Minister Lord Rosebery, the Secretary for Scotland, Lord Balfour of Burleigh, Lord James of Hereford, and Sir Edward Fry. The case made for the petitioners was that under the so-called Federal system education was being subordinated to examination instead of examination being used simply as a means for testing the reality and results of teaching in an academic atmosphere. After hearing the parties for three days the Committee took time to deliberate, and finally, on the 10th of February 1903, a date which should be recognized as notable in the educational calendar of this country, an Order in Council was promulgated which pronounced that the case presented by Liverpool was made out. The principle was affirmed, and in addition it was laid down that the step of granting the charters involved issues of great moment which should be kept in view, and for the solution of which due preparation should be made, especially with respect to those points upon which, having regard to the great importance of the matter, and the effects of any changes upon higher education in the North of England, co-operation was expedient between Universities of a common type and with cognate aims.

The results of thus laying down a great principle soon became apparent. The old University Colleges in Liverpool, Manchester, Leeds, and Sheffield blossomed out into teaching Universities of the new type, in which the record of the individual undergraduate counted for much and his examination for his degree became, not an end in itself, but a means to an end, a test of the fashion in which he had made use of his opportunities. Nor did matters stop here. London had, by the University of London Act of 1898, put itself in a position to contemplate the bringing together of her colleges in a general organization through the establishment thereafter of a real teaching University. Mr. Chamberlain had taken time by the forelock and had obtained a charter under which a teaching University became established in Birmingham. Bristol followed suit some years later, and Durham reformed itself by incorporation under a new constitution of the colleges of the neighbouring industrial city of Newcastle. Ireland established two new teaching Universities in Dublin and Belfast respectively, in addition to the old University of Dublin.

Thus in England there were set up what amounted to six newly constituted Universities, together with two more that had been largely reconstituted. With the two new Irish Universities an addition of ten had been made to the old strength in England and Ireland. Wales had previously established three colleges and had developed a little later a University of the federal type. Scotland had already its four Universities, and St. Andrews had enlarged its scope by incorporating the University College of Dundee. Moreover, for all the Universities, excepting Oxford and Cambridge, which did not desire the interference of the Treasury, new grants of money were made by the State, and through the medium of these grants the so-called Treasury Committee and the Board of Education began to put pressure towards development on modern lines in the new English Universities. The effect of this, even on Oxford and Cambridge, which remained independent, was presently seen in the new efforts which these older Universities began to make in the development of their teaching in Science. In other places, such as Reading, University Colleges began to grow up. Besides all this, under stimulus from the Board of Education grants, an improvement took place both in the number and in the quality of the technical schools and institutions throughout the country. In London an entirely new departure was made by the establishment of the Imperial College of Science and Technology, an institution which in many points resembled the great technical college at Charlottenburg, which is a rival institution to the University of Berlin.

The foundations which had been laid for London by the Act of 1898 remained, however, to be built on, and this necessity was recognized in the appointment of a Royal Commission which, after four years of investigation, and the examination of numerous witnesses, not only from this country, but from France, Germany, and America, reported in 1913. The Report was an effort to lay down a policy for a really great teaching University in the metropolis of the Empire. The details of this policy and the scheme which it recommended for developing the teaching side of the University were based on certain general principles formulated in Part II of the Report. The essence of these principles was that "while the power of granting degrees is one of the chief characteristics of all Universities it is not the real end of their existence. The University fulfils its end for the nation and the world partly by the advancement of learning, but partly also by sending out into many of the different paths of life a constant stream of men and women who have been trained by its teaching and influenced by its life. The object of going to a University is or ought to be to obtain a University education, and the degree ought to signify that this end has been attained. It is required for practical purposes as the sign and guarantee of a University education."

Substantial progress has been made in the development of great University Colleges in London of late years. The Imperial College, already referred to, and the expansion of the Bedford College for Women are notable examples of additions that have been made. But until the work of the various colleges has been adjusted so as not to overlap unduly, and has been brought under the common direction of a real governing body on which the teachers have a proper place, points on which the Report of the Royal Commission insisted, the work of providing London with an adequate system of University education will not have been accomplished.

It is time to return from what is an illustration of the general problem as it confronts us in practice to the character of the problem itself. And here we come face to face with a difficulty of great magnitude, the virtual exclusion of the democracy as it is to-day from almost every chance of pursuing learning.

How far can education of the University type be made available for the general mass of our population? It is no doubt possible to give the chance of obtaining it to nearly all exceptionally endowed boys and girls. Already a good deal has been accomplished in this direction by means of scholarships, and a good deal more is possible. But at the best this part of the "educational ladder" will remain very narrow. The great majority of children, thanks to the policy of compulsion adopted in 1870, now obtain an elementary education. But for the vast majority education stops soon after the age of thirteen is attained. A good many then proceed to forget most of what they have learned. When I was in charge of the War Office

I found that a surprising number of recruits could not read or write. The reason was, not that they had not learned, but that they had forgotten what they had once learned. We put this right by seeing to the re-education of our recruits. But the number was significant. It was due to the fact that only a small proportion of our population continue their education after leaving the Elementary School. In England out of about 2¾ millions of boys and girls between twelve and sixteen nearly 1,100,000 do not go to school at all. But this is not the worst. A large proportion of those who do go only for a brief part of the period between twelve and sixteen, the bulk of those who attend being made up of boys and girls who continue till thirteen or fourteen at the Elementary School. Only about a quarter of a million attend at proper Secondary Schools, and these do not by any means remain there during the whole of the four years. About 390 out of every thousand between thirteen and sixteen get no further education at all, and the bulk of the others get on the average very little. In Scotland the state of things is rather better, only some 280 out of every thousand between these years getting no further education.

When we pass to the age between sixteen and twenty-five what we find is of course much worse. Out of about 5,850,000 young persons in England and Wales between these years of age about 5,350,000 get no education, while 93,000 receive a full-time training during some part of the period, and some 390,000 get part-time instruction. In Scotland the proportion of those educated is again rather better. Whereas in England 917 out of every thousand get no education during this period, in Scotland 832 is the corresponding number. In England 18,000 enter University institutions (including Agricultural Colleges), in Scotland, with a relatively small population, the entries are 7,700. While only three per thousand of those between sixteen and twenty-five get some kind of training of a University type in England, nearly ten in each thousand get it in Scotland. The figures I have given are of course only approximate, but they have been arrived at after careful examination by competent investigators.

It is thus apparent that the vast majority of our population are not systematically educated at all after leaving the Elementary School. In days like these, and with a struggle for international supremacy in the application of knowledge to practical life threatening us, the fact is a deplorable one. For it means that if we are to enter on a competition, not with Germans only but with other nations also, after this war is over we shall compete at a disadvantage. It also means that we are not giving our democracy a proper chance of supplying from its vast reservoir of undeveloped talent the help we require. We are as a nation neglecting the most obvious methods for bringing the fittest to the front.

I have already pointed out that in the development of our system of University education a great deal has been accomplished since the commencement of the present century. The educational authorities have done their best among a people deficient in ideas and in interest in education. I should add that in the development of our higher technical schools in particular much has been brought about. In the industrial centres opportunities for technical learning have been of late years provided on a very large scale. The Board of Education in England and Wales and the Education Department in Scotland have accomplished much. In Ireland too the same process has been operative in a somewhat different form. It is instructive to watch the tendency to bring the higher forms of these schools into relation with the neighbouring Universities. Germany, in the opinion of some of her most competent authorities, has suffered by a sharp separation of the Technical College from the University, a result which is due to the principle on which her great system of secondary schools, the preliminary places of training for her students of University age, has been split up into systems of Gymnasia, Real Gymnasia, and Real-Schulen. So competent a critic as the late Professor Paulsen has, I think, dwelt on this mistake. Fortunately, we are showing a decided tendency to avoid the error. Education as a great factor in life is one and indivisible. That is why a University like Cambridge is now going to considerable lengths in extending the ambit of the education which it provides to instruction in technical matters of a kind which would be looked upon in Germany as belonging to a different type of institution. In Manchester and Glasgow two great technical colleges are being brought into close relations with the Universities of these cities. And the same tendency is apparent elsewhere.

The last thing that I wish to do is to give my fellow-countrymen the impression that I would have them follow where the German spirit leads. We have been the witnesses in these days not only of ethical shortcomings in the ideas of the leaders of the German nation, but of sheer intellectual failure to comprehend. Germany has not been intelligent in the things that matter most, any more than she has been moral. But none the less she possesses marvellous capacities for organizing, and of these capacities we should be unwise if we failed to take account, or to watch what she is about. She is indeed an enemy from whom there is a good deal to be learned by study of her methods.

Now I am keenly aware that we are in danger of overlooking the formidable character of the organization which Germany will presently bring to bear against us in the training of those who must be our competitors for industrial supremacy. It is in a region different from that of which I have just spoken that this danger is greatest. I refer to that region of instruction after the years of elementary training have ceased to which I have already referred earlier. Germany has realized that education in her great system of Secondary Schools can only be for the few, and she has set herself to solve the problem of how to get over this difficulty in a way which is characteristic. We have to watch what she is doing if we are to avoid being outclassed. We should be very foolish if we did not watch what she does in the preparation of artillery. But it is not only in the organization of artillery that she has shown a dangerous capacity for preparation in advance. I wish to point out a serious peril to which our easygoing attitude towards a great problem in education is exposing us under present conditions, a problem over the solution of which Germany, and other countries also, will try to catch us unprepared in days that are drawing near.

The sons of all classes in this country who are not otherwise educated go for the most part to Elementary Schools, where they are taught till about thirteen on an average, unless indeed they proceed earlier to a more advanced place of instruction. The sons of those who can afford to continue this education go on to Secondary Schools. Of these the provision in England is wholly insufficient, but in Scotland it is considerably more extended. The great majority of the boys who go to the

Secondary Schools remain there only for a year or so, and of the few that go on by far the greater number stay only until they are sixteen or seventeen. The parents who can afford it continue the education of a very small number of these boys a little longer at the Secondary School, and then send them to the University.

But the vast majority of boys are the sons of working-men who cannot afford to keep them after thirteen, an age at which they may begin to earn. The boys therefore either enter a factory or some other place of employment, or they earn a livelihood by doing odd jobs, or in some occupation which is open to boys only and which leads to nothing beyond. They may run messages or sell newspapers or find other miscellaneous employment in what, so far as preparation for work as adults is concerned, are blind alleys. Occupation of this kind rarely affords any training for a higher kind of work, and it usually ends in a life more or less undirected. It is out of this uncared-for class that the wastrels of the future emerge. The hooligan and the young criminal become rife in its numbers. The waste of potential man-power which might have strengthened the State is scandalous. For it is a waste that is not only great but could have been prevented.

Already foreign countries are taking the matter in hand with varying degrees of vigour, and in this country there are indications of a coming attempt to grapple with the problem. The London County Council has made an effort to organize on lines of their own, but they have been much hampered by the want of any power of compulsion. In Scotland the Education Act of 1908 has provided for real advances in the Scottish system of education. By section 3 a School Board may provide any form of education or instruction which is sanctioned by the Education Department. By section 7 the duty is imposed on parents of providing efficient education for their children up to the age of fourteen. By section 10 it is made the duty of a School Board to provide continuation classes for the further instruction of young persons over fourteen with reference to the crafts and industries practised in the district and in certain other industries, as well as in the laws of health, and to afford opportunities for suitable physical training. The School Board may further make bylaws compelling attendance at such continuation classes up to the age of seventeen. There are also powers, conferred by other sections, for developing secondary education, and for reforming the application of educational endowments.

This remarkable Statute is a good way in advance of anything that has been enacted in England, and it has the root of the matter in it. As the result, considerable growth has taken place. The Act has done something to demonstrate how much is required in order to set the educational system in the rest of the country on a proper footing. For it has exhibited the principle of the obligation of the State to provide facilities for the further education of that great mass of the children of the working classes who cannot proceed, as things at present stand, to the development of the latent abilities which many of them possess, and which all of them ought to have the chance of having developed.

The last thing the people of this country are likely to do at this moment is to look willingly at the example the people of Germany are setting for the solution of this problem. But none the less it remains true that we have to acquaint ourselves with the steps Germany has been taking in this direction in recent years. For if we fail to do so we shall fail to prepare ourselves for the shock of contact with a new instrument of industrial competition. The trained workman may prove as formidable a weight in the balance as the improved machine. We cannot afford to be behind in either.

I therefore turn to the consideration of a new system which Germany had begun before the war to call into existence. I make the preliminary observation that I have no desire to see this country slavishly copy German institutions. All I am anxious about is that we should realize what is going on abroad, not merely in Germany but in Austria also, and to some extent in France and the United States. I will take the German prototype as my illustration, because it is, or was before the war, being rapidly developed. We must work out our own educational salvation in our own way, but this we cannot accomplish unless we provide ourselves with full knowledge of what we have to guard against in advances that are being made by our rivals.

The most definite attempt made in any country at a thorough organization of the continuation school on lines adapted to the necessities of special trades is that carried out in various parts of Germany on the inspiration of

Dr. Kerschensteiner, the Director of Education in Munich. The problem to be faced was how to find something better than the old general continuation school for the boys and girls who left the primary school at fourteen. Dr. Kerschensteiner is a man with many fine ideals. In his writings I have never come across a trace of the influence of writers such as Nietzsche or even Treitschke. On the contrary, his books are full of insistence on the necessity of genuine ethical ideals. "Instruction," he says ("The Schools and the Nation," English Translation, p. 13), "in matters of moral import is ineffective everywhere when it is not combined with practical exercise or custom. In this point of exercise and custom the public schools of England and the colleges of Oxford and Cambridge are far in advance of us. We Germans always believe that we can effect all school education by means of explanations, by words or books, through mere lectures and addresses of all kinds. That is certainly the most convenient and the cheapest method of public education. It is, moreover, not quite fruitless, provided that the seeds fall on a mind well prepared by home or other influences. When this is not the case, however, the method is of little value. The training of a people demands more. It must *accustom* the boys and girls to direct, as far as their nature allows, not only their thoughts and feelings but also their actions in all critical positions towards the service of common interests. But this only takes place through work, through real practical work, whether in a school organization or in practical life. . . . I should like, therefore, to state the problem of popular education in this form: it is the *systematic training and organization* of the people to take pleasure in active constructive work for the common good."

The author of "The Schools and the Nation" places highest, of course, the education which proceeds through the Secondary School to its culmination in University life. But his problem is how to make the principle just stated, which underlies this as well as all other forms of education, apply to the education of the sons and daughters of the working class. They cannot continue their education after fourteen unless it be through the medium of special training in their own calling, training which will pay for itself. Can such training be so organized as at once to produce, when adult life is reached, industrial efficiency of high value to the individual and the State, and at the same time a real educational value?

The method actually adopted in Germany for the solution of this problem is the substitution of the special trade continuation school for the old general continuation school, and the making of such education compulsory up to eighteen. The future workman is asked on leaving the elementary school or before that time to choose a trade. He then enters the service of an employer in that trade. He works as an apprentice at a low wage. But the employer is bound by law to send him to the appropriate special trade school for about nine hours altogether in each week. In that school the boy or girl is taught the trade. But the teaching of the trade gives various opportunities for imparting knowledge of a wider kind. In Munich, just before the war, the population of 600,000 included between 9,000 and 10,000 apprentices. These were in compulsory attendance at separate trade continuation schools for eight to ten hours a week, taken out of working hours. There were fifty-six of these separate trade schools. The number was not so formidable as it looks, for a good many schools were housed together in one building and the cost of running them was not large. Of the fifty-six special trade schools seventeen were devoted to metal-work. They included instruction for smiths and fitters for the building trades, art smiths, machine-builders, craftsmen in delicate machine and mechanical work, mechanics, fine mechanics, and also for gunsmiths, smiths and wheelwrights, jewellers, gold and silver workers, plumbers, gas, water, and electric light fitters, and metal spinners, clock and watchmakers, and tinsmiths. For wood working there were seven schools, which provided for future carpenters and cabinet-makers, wood turners, coopers and cask makers, and sculptors in wood and ivory. Then there were for the building trades seven schools. These provided for bricklayers and carpenters, sculptors in stone, stucco workers and stonemasons, potters, stone setters, workers in porcelain and earthenware, upholsterers, painters, decorators and paperhangers, decorative painters, chimney-sweeps, glaziers, painters on glass, porcelain, and enamel. For the graphic trades there were four schools, for lithographers, photographers, half-tone zinc engravers, book printers, and compositors. For the food and provision trades there were six schools, for bakers, butchers, confectioners, wine and restaurant keepers. For the clothing trades there were four schools, extending to shoemakers, tailors and furriers, hairdressers and wigmakers, tanners and glovemakers. For agriculture and the vehicular trades there were two schools, which included gardeners, cab and taxi-cab drivers. For paper and leather work there were two schools, providing for bookbinders and cardboard workers, saddlers, trunkmakers, and glovers. For shopkeepers there were two schools, extending to druggists, grocers, colourmen, and other businesses. There were also schools for musicians, clerks, and others who had elected for work which was not of the artisan type. A school was grouped out of not less than twenty apprentices. These figures I have taken from Dr. Kerschensteiner's own book. But there is a great deal of further information on the subject in another valuable work, "The Problem of the Continuation School," by Messrs. Best and Ogden, which is based on personal investigation. This book explains more fully than Dr. Kerschensteiner's work does how the boys are induced to select a trade, and why, in a city of 600,000 inhabitants like Munich, all but 8 per cent. of the boys go straight from the elementary schools to definite trades. The reason is that in the eighth year of education in the elementary school the boy of thirteen goes to an "eighth-year class," in which he is taken to the workshops of the special trade schools and is there encouraged to form a taste for a special kind of work. Those that do not so elect go to a general continuation school. The outcome has been that rather less than 8 per cent. choose no trade or go to "blind alley" occupations. "The children," writes Dr. Kerschensteiner, whom the authors quote, "had tasted the joy of solid practical work, and the shunning of skilled occupation was at an end." It appears that the mode of attraction is the creative work which they are allowed to initiate and occupy themselves with in the laboratories and workshops of the trade schools. The teachers look after and help them, but they are left free as much as possible. When they enter an apprenticeship this takes the form of an undertaking that they shall be taught their trade, and the "taught" worker is reckoned higher socially than the untaught. The obligation of the employer is of a very general and varying kind, yet it is carried out. It may last for twelve months or it may extend to four years. But the employer has to do what he has bargained to do, and may be fined if he fails. The conclusion of the period of apprenticeship entitles the young workman, if he has been satisfactory in school and factory, to a certificate that he is a qualified journeyman. Later on he may attain to the status and certificate of a master workman. The trade guild looks after all these matters in each trade and locality. The distinction aimed at throughout is one between those who are "untaught"—i.e. exploited for the gain of the employer—and those who are "taught"—i.e. prepared with a view to gain for the community.

The case of a young brassworker may be taken as illustrating the system. He has to attend the special school for four years, during the first three for seven hours a week, and during the last for eight hours. His education in his special trade school includes trade arithmetic and book-keeping, business composition essays and reading, citizenship, sensible living and hygiene, information about trades, goods, and tools, drawing and practical work. Religious instruction is also given. For the first two years no practical work is taught in the school, for the scholar is learning in the workshop. In the last two years he gets two or three hours of practical work of a higher grade than he is likely to get in the workshop where he is employed. The hygienic instruction takes the form not only of special instruction in hygiene, but also of gymnastics and suitable games.

As to the cost, Messrs. Best and Ogden report that while Birmingham, with 850,000 inhabitants, spends £777,000 a year on its schools, Munich, with its 600,000 inhabitants, spends £600,000 altogether. The employers give a good deal of assistance in kind, considering that it pays them to do so. The result, according to the authors of "The Problem of the Continuation School," appears to bear this out. "We saw," they say (p. 13), "youths making scale-balances for laboratory work (those square chemical balances enclosed in a glass case for delicate weighing). They made them throughout in the school (cases, balances, and weights). We saw them at work adjusting the weights which they had made to the delicacy of 5 milligrams; boys from fourteen to eighteen years of age made one hundred of these scale-balances for their elementary schools to use in their laboratories. Purchased in a shop they would cost £3 10s. each, while made in the school the cost was only 17s. each. This reminds us of a Birmingham buyer of such balances who had placed a large order in Germany, and who declared it was impossible to place the order in this country at anything like a reasonable competitive figure."

In the fifty-six trade schools of Munich there are about 150 teachers exclusively attached to the schools, and about 300 more who give lessons there in addition to other work. "The teachers," report Messrs. Best and Ogden, "are recruited from all kinds of professions and vocations. Academic and normal school-teachers co-operate with master workmen, journeymen, artisans, and agriculturists, and they exert an excellent influence on each other. The artisan, the master, and the journeyman learn to respect the schoolmaster, and the schoolmaster learns to respect the master workman, who is engaged with him on the same educational problem." The authors lay stress on a feature which they appear to have observed particularly. "Teaching in drawing and arithmetic is carefully associated with practical instruction. Nothing is drawn that has not been made in the workshop. Thus the drawing is made interesting even to the boy who has no particular impulse to attempt it. Moreover, any process in work or construction is followed out by figures. It is by making out estimates and bills that the pupil learns the significance for cost of production of the material used and the time expended. After the same fashion principles in physics and chemistry, so far as the work illustrates them, are taught and made interesting. Indeed, it is part of the general system of teaching to use every opportunity of stimulating interest in wider kinds of knowledge, within sight of which the pupil is brought in the course of his practical work."

In his book on "Education and Social Progress" Dr. Morgan, the Principal of the Provincial Training College in Edinburgh, has drawn attention to the difference between compulsory continuation classes and trade schools strictly so called. In the latter the young worker is taught from the foundation all the departments of work in a certain trade or skilled occupation, including the use of all the hand and machine tools required for the processes involved. In schools of this special character the entire apprenticeship is carried out, and the classrooms resemble workshops. Now it is obvious that such schools, although they do exist in Germany and elsewhere, can never be numerous. The cost and complication are prohibitive, and they cannot be made a general substitute for apprenticeship. They may, as Dr. Morgan points out, be necessary for a few special crafts. But, as he truly adds, for the great mass of workers what is really wanted is "a well-developed day continuation school system for the various trades, with a thorough mutual understanding as to the part of the training to be done by the school and workshop respectively." It is upon this ideal that Germany seems to have concentrated. Dr. Morgan observes that in twelve of the States which make up the Germanic Empire every apprentice has to attend a continuation school for from six to eleven hours a week during the whole period of his apprenticeship or until the completion of his eighteenth year, and his certificate as a journeyman is only granted if he has satisfied the necessary educational tests. In ten of the States there is "local option" regarding continuation school attendance, and in only four States is attendance voluntary.

It is interesting to learn from Dr. Morgan and from other sources, that in Edinburgh, where, as I have already stated, the School Board has taken advantage of the powers conferred by the Act of 1908, the curricula and practical details of the work in the continuation schools that have been established is submitted to consultative committees, consisting of representatives of employers and employees in the district, as well as of the teachers and the educational authority. There appear to be in Edinburgh about twenty of these advisory committees, each representing a different trade.

Lest it should be thought that I am exaggerating the seriousness of the advance in democratic education which is taking place abroad, I will quote another set of observers. And I will quote pretty fully, even at the risk of repetition, for I am anxious to bring home to those who do not realize what is taking place abroad its seriousness for ourselves. I have already mentioned that the London County Council has set itself to the task of initiating the new system here. In 1914, just before the war, Sir Robert Blair, its Education Officer and a man of great ability, made a Report, based largely on information obtained by Mr. J. C. Smail, the London County Council Organizer of Education for boys, as to trade and technical education in France and Germany. This Report is a valuable and instructive document. It is published, and it ought to be studied by those who are concerned about our deficiencies. Meantime I extract from it what follows.

Sir Robert Blair begins by saying that the facts and the observations made by Mr. Smail after visits to Paris, Munich, Leipzig, and Berlin deserve the most serious consideration, especially those relating to Germany. The Paris special schools are mainly professional trade schools which train foremen, leaving these to train the workmen in the shops ; whereas the German continuation schools supplement apprenticeship and are aiming at the uplifting of every man in his fourfold aspect of member of his trade, member of his family, member of the community, and member of the State. In Berlin, Munich, Leipzig, and other towns the organized efforts of the State and the Municipality are reaching nearly every boy and many girls in a way that would hardly be credited in England, but for the fact that experienced officers have seen it in operation. The British method makes the best top. It also produces the worst tail, and it does not do much for the general raising of the great mass of workers. It must not be forgotten that the London evening student makes on the average fifty hours' attendance per session, while the German boy makes 240. The German boy must take a three or four years continuation course ; the English boy may take as much or as little as he pleases, and 75 per cent. between fourteen and seventeen either cannot or do not please even for one year.

Such is the substance of the preliminary observations of Sir Robert Blair in submitting Mr. Smail's Report on what he had found on the Continent. I now turn to the Report itself.

As regards Germany, Mr. Smail found evidence everywhere that she was aiming at building up a great industrial nation, partly by the thorough training of the leaders as experts, partly by the training of the middle-grade workers, such as draughtsmen and foremen, as thoroughly accurate and careful managers, and partly by the training of all grades of workmen and mechanics as skilled craftsmen and good citizens. France, on the other hand, is aiming at industrial excellence, partly by the training of highly skilled experts, and partly by the training of those who should become the best workmen and the best foremen.

This is a good exercise of the power of the State, but it is not so systematic or thorough as the German method. Our own method, on the other hand, is individualistic. We aim in Great Britain at providing individual excellence, partly by offering avenues of training and chances for willing and persevering workmen to climb the industrial ladder. "It is necessary," says Mr. Smail, "to bear these ideals in mind while considering any organization for technical education, for, while these ideals have probably not been expressed, their influence has undoubtedly been behind the progress made. The German ideal may be termed the long view which must eventually lead the German nation to and maintain it in a foremost place as an industrial world power. The British method may be regarded as more philanthropic than patriotic; the ideal is admirable, but the bulk of the nation's workers are not catered for by this ideal, and on the bulk of the workers much of the material prosperity of a nation must depend." Mr. Smail observes that expenditure on extended educational effort may be regarded and justified as a national investment, for the character and capacity of its people is the nation's greatest asset.

In order, he says, to appreciate the character of the German effort it is necessary to bear in mind the provision that Germany has already made for the training of the professional experts in the Universities, Technical High Schools (another form of teaching of a University type), and other special institutions. There are in that country, as he points out in an appendix, twenty-two Universities and eleven Technical High Schools, in addition to three Mining Academies, four Forestry Academies, four Agricultural High Schools, five Veterinary High Schools, six Commercial High Schools (somewhat resembling, I believe, the London School of Economics, which was a pioneer institution), sixteen Academies of Art, and eleven Academies of Music. The total of these teaching institutions of a University or post-secondary type is eighty-two, and they educate on an average 82,000 fully qualified and 22,000 other students. In addition to those in the list above given there are other schools for Administration, Medicine, etc. The German plan of thus training leaders has contributed much to clearing the way "for a closer scrutiny of the middle and lower technical and trade problems of education. As a result the educational world in Germany is in a state of intense vitality in the solution of the lower technical problems." In these matters the United States are profiting by a study of the German example, and we are threatened from that side of the Atlantic with new movements.

One of the things which the Kerschensteiner method promises to accomplish is the solution of the apprenticeship question. Germany has dealt with this matter by law; in France and England it has lapsed into an unsatisfactory condition. "There is," says Mr. Smail, "an organized system by means of which an apprentice is sheltered by the State during his period of apprenticeship, and has opportunity for learning his trade in the workshop under a competent person, as well as securing in the continuation class a knowledge of the technology of his trade. The reduction of the period of apprenticeship to four years is probably a vital factor in the continuance of the system. The British schemes, which require five, and in some cases seven, years of apprenticeship, are not generally drafted in the interests of the boy, but rather to secure a limitation in entry to the trade. It is not always the case that apprentices are placed under the charge of some one competent and willing to teach them the trade. Further, boys are generally allowed to pick up the technology of their trade as they themselves may please. The number who do this seriously from the beginning of their apprenticeship is extremely small."

Turning to the demand for unskilled boy labour in great cities, which is always considerable, the Report quotes Dr. Cooley, of Chicago, as estimating that the proportion of unskilled boy workers is in Munich 10 per cent., in Berlin 40 per cent., in London 68 per cent., and in Chicago 85 per cent. But, then, in Germany unskilled boy workers are required to attend general continuation classes, and separate courses are provided for them, and they pass gradually into skilled trades. By consulting the necessities of the employers Berlin manages to secure an adequate attendance at continuation classes of about 90 per cent. of the boys. The Report proceeds to give a striking instance of the way in which vocational instruction of this character is used as a medium for a more general education. The apprentices to the boot and shoe makers in Munich are taught the position of the whole trade in Germany, its localization, size and growth; the character of the manufactured materials in use and their origin ; the imports and exports and output of foreign countries, with diagrams and curves which the teacher makes interesting by concrete explanation, concrete questions being shown to turn on principles of general application. It concludes by saying that a solution of the apprenticeship problem may be looked for with the aid of definitely organized compulsory continuation classes. It warns the public here that Germany is systematically training the whole nation in different ways for different spheres, and that the effect of this in a generation will have far-reaching consequences.

The conclusion to which the story that I have endeavoured to record points is that the new century is witnessing the development of a fresh phase in education, a phase which is likely not only to add to the practical efficiency and power of the working classes, but to afford the hope of at least partially redressing the injustice to which they have hitherto been subjected by having the avenues to general knowledge and education closed early in life. There are probably yet more possibilities latent in vocational training than either we or even the foreign nations, which in this matter are in advance of us, have yet discovered. Even if a certain lowering of educational ideals were involved by such training it would still be better to have something substantial than the alternative which in practice is nothing at all. But it is far from clear that lowering of ideals is implied. The new movement which owes so much to the Workers' Educational Association, and the devoted labours of men like Mr. Mansbridge, and the stimulus which the new movement is receiving from University extension classes, show that the atmosphere in which training is given may be purified from materialism and rendered of a high quality. It is to the continuation of these movements, in the last mentioned of which this country is in the van of progress, that we have to look for the solution of one of the greatest problems of our time. For it is not too much to say that on the level of intelligence in the working classes of this country and on the capacity for initiative which seminal ideals alone can give depend much of our prospects in the future. That was why the Royal Commission on University Education in London recommended (in paragraphs 409, 410, and 411 of its Report, and in the final scheme set out at page 207) that the University-extension tutorial classes conducted in connection with the Workers' Educational Association should be developed, and a centre provided in the Goldsmith's College, where the most inspiring teachers could lecture, and where debates and social meetings could be held. "At first," the Report said, "no doubt the classes of the Workers' Educational Association were devoted to a study of those sides of history and theory which seemed to bear most closely upon the needs and difficulties of the worker in the modern industrial State. That was right and proper, for men and women of adult years, not less than younger students, will do their best work where their interests lie. Already, however, a demand is growing up for courses in literature and other subjects of value for their time of leisure, and we believe this demand will grow, until the students of the Workers' Educational Association will realize one of the greatest truths a University can enforce, the essential unity of knowledge. We think the University should consider the work it is doing for these men and women one of the most serious and important of its services to the Metropolis."

In order to cover the main ground in this review of the advantages and disadvantages to which the nation is subjected by reason of the condition of our system of education, it is necessary to glance at certain other features of that system. A national system it is not—that is to say, it is not a system fashioned in the light of a general and dominating conception of a whole, a thought-out and comprehensive purpose which has throughout been kept in view. Our system has grown up sporadically. This has not been due to the want of would-be reformers who knew what they sought after. It has been due to the want of ideas in the nation itself. No political leaders can get far forward without a certain receptivity to work upon, and this receptivity has been wanting. The great bulk of our people, well to do as well as poor, have hitherto been indifferent to effort at educational reform in a large sense. Perhaps this world crisis, with the practical and sharp lessons which it is teaching, may awaken us, and convince the country that it is on the quality of its own workers, and on nothing short of that, that it must rely if it is to hold its own. We have been too much in the habit of acting as though form could be divorced from substance, and wisdom be embodied in a few epigrams. The type of mind on which the older Universities have set most store has tended to develop this shortcoming. Our future rulers are trained admirably in the old Universities for the forum and the senate. For concentration on organization and method they have not been adequately trained. Parliament is a mirror in which this shortcoming has been reflected, and Cabinets in their turn have reflected the mind of Parliament.

One of the most serious deficiencies in our system is to be witnessed in the condition of the secondary schools. What I refer to are the schools in which our middle classes are mainly educated or ought to be so. The great Public Schools have no doubt marked deficiencies. Of these much has been heard, and more is likely to be heard hereafter. But the Public School system of training the boys who attend them to rule themselves and so learn to rule others later on has excited a good deal of admiration on the Continent. There is nothing in either France or Germany quite comparable to this system of training, and foreigners are well aware of it. What I am really referring to is the secondary school of a less well-understood type, the type of the school on which the bulk of the middle classes have to rely. The school of this type has been little looked after by the State, and there is no clear view of its function. The Education Act of 1902 has rendered a great deal of reform possible by the establishment of new authorities with wider functions than the old School Boards. But even in this direction much remains to be accomplished before it can be hoped that a united and harmonious effort will be made throughout the country. Then, again, no adequate provision exists for freeing educational endowments from the grasp of the "dead hand," often maintained for a period far exceeding that which the law against perpetuities allows in the case of private trusts. An Educational Endowments Commission is wanted south of the border to do this work, as it has been done in Scotland. Further, the secondary schools must be of several types. There ought to be more variety in these than exists at present, and the grading should be more distinct. The higher secondary schools ought, as a definite function, to have the duty of preparing students for the University. Instead of doing so, they stop short and leave a gap. The result is that the University is hampered in its work by having to spend much of its energy in doing the work of preparing the undergraduate by preliminary studies for his University training proper. We are not alone in this respect. In the United States the difficulty has been felt so deeply that the American Universities have organized in connection with their work so-called "colleges," into which the boys from the secondary schools go to complete a training which ought to have been adequately given them. But with us the defect is far from having been repaired. It used to be strikingly exhibited in Scotland. There the first year at the University had to be devoted to work which should have been done in the secondary school. But of late years the secondary schools in Scotland have been much developed in quality and increased in number. The State supervises most of them, and has instituted a Leaving Certificate which is intended to be given only to boys and girls who, by their record as well as by the result of examinations, are shown to be fit to proceed to the Universities, where the certificate is a passport to admission to University training properly so called. In England there has been no parallel development. The system of the Leaving Certificate has been introduced, but only sporadically and not under direct State supervision. The result is that the test is unequally applied and is not general.

Now this is hardly due merely to the absence of effort. It is as much due to the fact that there are far too few secondary schools, and that many of those that exist are in a very unsatisfactory condition. One of the most instructive volumes that has been issued by the Board of Education in recent years is the Report of the Consultative Committee on Examinations in Secondary Schools, published in 1911. This Report contains an exhaustive review of the situation. It insists on the necessity of far-reaching reform, if the secondary school system is to be made adequate to the needs of England. In particular it recommends the introduction of secondary school certificates, which should take account of the record of the pupils' schoolwork, and should be a guarantee that the holders had taken due advantage of the training for a stated period. The judgment of the teacher and a suitable examination, under the supervision of an independent examining authority, should be the tests. It is suggested in the Report that this authority should, for the present at least, be a representative council, on which the Board of Education, the Universities, the Local Education Authorities, the teachers, and persons with experience of practical life should be represented. The Report recommends that there should be two such certificates, one for pupils who have remained in the secondary school until sixteen; the second, a time-leaving certificate, which should be attainable only by pupils who have remained on until eighteen or nineteen. The latter certificate would form the passport, not only to University life, but to other forms of life, and should accomplish the end which the State has already sought to accomplish in Scotland. I doubt whether the Report goes far enough in its recommendation as to the Examining Authority. I think that the Board of Education might now, in view of certain strides which it has been making, organize the examinations for the certificates directly, using the help of the Universities largely, and calling to its aid advisory committees, on which other and necessary interests would be represented.

It is probable that if effect were given to the main recommendations of this Report the result would be to ease the problem of State aid for the secondary schools in England at once. Now this problem is not only, as things stand, very, very pressing, but the absence of a solution is exercising an evil influence in other spheres than those of secondary education merely. As has already been pointed out, the Universities are being heavily hampered in their work by having to divert much of their energies to preliminary studies which ought to have been completed in the secondary school. How great an evil this is any one may see who will turn to the Report of the Royal Commission on University Education in London, a Report which deals with this question at large. It is, further, an important fact that those who are responsible for regulating entry into the professions and occupations which require a good standard of preliminary mental training are, under present circumstances, impeded in the difficult task of selection by the absence of the individual guarantee which a reliable certificate of secondary education would supply.

Our secondary school system is in reality the weakest part of the educational organization in England. To realize how short it falls it is only necessary to compare it with the secondary school system in Germany, which is the strongest part of the German organization. There the system is probably carried to excess. What makes the

German problem comparatively easy is that the German *Freiwilliges Examen* exempts the holder from compulsory military service for more than one year. The certificate therefore is strenuously sought after and crammed for. To avoid the crammer the German authorities have laid stress on the bringing to bear of the opinion of the teacher and of record in making the test. But the secondary school in Germany is, notwithstanding efforts made to obviate the result, a tremendous place of discipline and of mere book knowledge. The Germans, in consequence, turn their eyes longingly to features in our great English Public Schools which they have hitherto been unable to reproduce. The ideal for us and for them would be a combination of the best features of both types of school.

There can be no doubt that the eight or nine years spent in the German secondary school and the intellectual discipline which is there instilled have exercised a great influence, on the whole beneficial, on German University life. *Lehr und Lernfreiheit* became possible simply because the whole of the necessary preliminary training has been accomplished in the gymnasium. The student, who as the result of this arrives at the gate of the University some two years older than with us, comes with a passport in the shape of his certificate, without which he cannot proceed, and in the light of which the University can rest satisfied that he is probably fit for training in the higher atmosphere of the University. In that atmosphere there is little examination and almost less supervision. The student is left free to choose his course and make the most of his time. But when at the end of that time he presents himself for his degree, he must satisfy the University authorities that he has used his opportunities adequately. He must submit a thesis showing some originality of effort in thought, and he must orally satisfy his examiners that he has been a student in the real sense. This at least is the obligation aimed at. The sanction is not only that if the student fails to obtain his University degree he will run the risk of finding some at least of the best avenues in civil life closed to him. His University training is essential as the preparation for another test. It is the work done during the period of training at the University that enables him to pass that *Staats-Examen*, the portal through which he must pass if he desires to enter the majority of these avenues.

It seems evident that what is most wanted in England is a concentration of effort on the development and the reform of the secondary school system. We have made immense strides in primary education since the years antecedent to the Act of 1870. But for secondary education, although a good deal has been done, and the Education Act of 1902 has been a stimulus, almost everything that is requisite remains to be accomplished. Until a real advance has been made, no satisfactory progress is possible in the direction of the full development of a complete national system of education. Quantity and quality are alike deficient. And until the deficiency is repaired not only elementary education, of its full value only in so far as it fills its place in an entirety reaching beyond itself, but post-secondary education which depends on what is secondary for its foundation, will remain imperfect.

It is this imperfection which lies at the root of much of our national shortcoming in organizing power. Since the war began, a determined effort has been initiated to make up something of this shortcoming. A Special Committee of the Privy Council has been constituted to superintend and give sanction to the work of a new Advisory Council. This advisory body has on it representatives both of Education and of Science. The object is to develop the number and quality of those who will devote their energies to applying science to industry. For the accomplishment of this object it is necessary, not only to improve organization in the secondary and technical schools and the Universities and University Colleges, but to develop the scholarship system and the necessary pecuniary facilities for picked students devoting themselves to post-graduate research. The necessity for a marked advance if, in industries dependent on science, this country is to recover lost ground, or even hold what it has now, is everywhere apparent. To take as an example the chemical industries in the United Kingdom, there are only some 1,500 chemists, including analysts, employed in the whole of these industries. In Germany the four chief firms in the colour industry alone employ 1,000 research chemists.

The new Committees are doing valuable and necessary work. But they do not profess to be able to get at the root of the problem, which can only be reached by dealing with the organization of education as a whole. Still, it is a great matter that the war has put ideas into our people which have induced them to take even this step. It cannot be too firmly insisted on that all proposals for increased teaching of science in our schools, and for giving it a more important place in public examinations, useful as they are in attracting attention to a grave need, merely scratch the surface so far as real preparation of the ground is concerned. We know quite well what has to be done, and forty years ago Matthew Arnold warned the nation of the consequences of not doing it. To-day there is a body of experts who have carried on the tradition of his teaching, and have developed his recommendations. The field is mapped out. The keenness of the Board of Education and of the cognate bodies elsewhere leaves nothing to be desired excepting the putting into their hands of the instruments they require. But the difficulty is, what it always has been, the lack of interest and of ideas among our people. Ministers are, after all, only the mandatories of the nation, and if the nation will not give them a mandate they can make but little progress. For years the voices of the party of education have been as the voices of those crying in the wilderness. But, while the older Universities continue to be ruled by absentees and clergymen, and the interest in the other Universities remains local and not national, higher education cannot flourish. And it is the indifference which lets this state of things continue in existence that accounts also for the slow progress in dealing with our secondary education and in getting rid of the hindrances caused by religious controversy to the improvement of our elementary schools. The want of keenness is again due to the want of ideas. Scotland and Wales have been better in this respect than England, and as the result they have got more done for them and have been enabled to do more for themselves. But then among these peoples there has been diffused something of that passion for excellence in knowledge which penetrates only among the few in England. Without the touch of that passion it would have been hard for them to get the Scottish Education Act of 1908 and the Welsh Intermediate Education Act of 1889 out of apathetic Cabinets and indifferent Parliaments.

In the arts of war and the arts of peace the same thing is true. We suffer from want of organized intelligence. The warning as to the consequences has been given again and again during the last half-century. And those who know are repeating it now. But if Cabinets are indifferent, and Parliament is indifferent, and the Press is indifferent, it is not to be wondered at if the warning turns out each time to have fallen on deaf ears. And yet in the end the Cabinets and the Parliaments and the newspapers turn out to be what the public has made them, and thus it results that it is to the people themselves that the evangelist must go with his summons. He must tell them that however easily we may appear to have escaped the consequences of our own low standard in generations gone by, the present generation is not one in which a similar escape is practicable. For other nations have advanced in this very business of organizing knowledge while we have stood still, and in material respects they are now ahead of us. And whether it is Germany that is concerned, or France, or the United States, or for that matter our own Dominions, there is only one way in which we can secure our position in the future, and that is by not being behind these countries in the organization of knowledge, and above all in the preparation of that future generation that will have to carry the national banner. No Protection, no wall of tariff, will help us if we suffer from this deficiency. Nay, if taken by themselves and in isolation, they will rather hinder us, for they will divert our steps into byways from the straight and narrow path of mental discipline along which with hard toil of the spirit our coming race must struggle if it is to attain supremacy and keep it. And it is not only scientific knowledge that is required. It is the wider outlook, the deeper insight, that comes of what is spiritual, even more than from what is purely intellectual. Never was there a time when the preachers were more needed by the teachers. Can the Churches but rise to it they have one of the greatest opportunities of leading that has ever come to them. For there is a disposition everywhere, a disposition which the tremendous event of this war has heightened, to regard the dogmas and the doctrines round which theological quarrels have centred as themselves symbolic of deeper realities about which there can be no genuine doubt. Faith begins to have a new significance, and the spirit of those who call to faith is in consequence being penetrated with new and dominating impulses.

Let us now try to realize the extent of the ground that has to be covered if provision is to be made to enable the future generation to compete on even terms with its rivals across the seas.

In the first place the number and the health of the future generation must be improved by the resolute carrying out of the measures necessary to prevent pre-natal wastage and infection. To enter on this subject at length would be beyond the scope of this paper. It is enough to refer to the Reports recently issued by the Local Government Board. Probably 15 per cent. of those who might under better conditions have been born into the world as healthy children die before birth from preventible causes, while a large number of the residue are born diseased or defective. The recent Report of the Royal Commission on Venereal Diseases, and its Appendices, throw a searching light on one terrible source of this evil, and show that much may be done to diminish it. But phthisis and other transmissible diseases are not less formidable. Fortunately, we now know how to diminish these sources of wastage. Again, at least 10 per cent. of the children who are actually born die within the first twelve months from causes which could in large measure be obviated. If these two wastages were got rid of, we could contemplate the steady diminution of the birth-rate with easier minds—easier because there would be a great gain not only in quantity but in quality of life, and some of the most difficult problems of public health would in consequence be much reduced in dimensions.

But the matter does not end there. The reforms I have mentioned belong in the main to the department of local government. To the department of education belongs a further reform, that of the physical care and development of the child through its educational period. This is a question with which real progress had been made before the war by the Board of Education. Indeed, the recently published Reports of Dr. Newsholme, of the Local Government Board, and of Sir George Newman, of the Board of Education, are among the most striking evidences of actual progress made—progress, it may be added, which probably places us ahead in this respect of any other nation. The proper organization was being rapidly developed before the war with the aid of voluntary assistance under scientific direction from the State, and there was promise of very valuable results for the population generally. We must see to it that we do not let our minds be diverted from this most vital branch of reform, for it lies at the root of progress in education, as well as in other things.

In the second place, it is much to be desired that there should be an improvement in the condition of our elementary schools. Not only are better buildings required, but if we are to get the teachers we need the remuneration we offer must be improved. This reform is less pressing than others only because a good deal has been done in this direction during the last twelve years. But much remains to be done, not only as regards buildings and teachers, but in the direction of physical and other training. It is, for example, plain that physical training may be greatly aided by the introduction of methods of self-discipline, such as Sir Robert Baden Powell's Boy Scouts' organization has applied with conspicuous success. It is also plain that in the last years at the elementary school we have failed to take the opportunity of training boys for practical life in the way in which it has been done on the Continent. The last year, in particular, should be one where the boy is made ready and encouraged to think of his future calling, and to look forward to the continuation school.

In the third place, if the order is made to follow the stages in life reached, comes that vital necessity for introducing a far-reaching system of vocational training to which I have already devoted a good many of these pages.

In the fourth place there is the great effort that must be made to put our secondary school system on a proper footing, and of this I have already said sufficient to indicate the nature and necessity of this effort. I will only add that in France three times as many of the population as with us study in the upper classes of the secondary schools, and in Prussia more than five times as many. These figures tell their own tale.

In the fifth place comes the development of our University system, and the introduction of much needed reform, which will, among other things, give to the teaching of science not only in the Universities but in the secondary and technical schools a larger place. I say no more than I have already said on this subject in the preceding pages, because my views were fully expressed in the Report of the Royal Commission on University Education in London, views which I hold certainly not less strongly than I did when I signed that Report.

As regards both the continuation and the secondary schools, public opinion is probably now ripe for a feature corresponding to the "Boy Scout" training in the elementary school, but of a more advanced character. Compulsory cadet training would, I think, be an unmitigated advantage for the great majority of boys up to about eighteen, the age at which those who care to do something for national defence have the Territorial or Citizen Army open to them in normal periods. Such compulsory training would probably be popular with the boys, and consequently would not interfere with the disposition to join the regular Army later, a danger to which compulsion for adults is held by many to lay itself open. Moreover, it would render the raising and training of a large Army in an emergency such as we are witnessing much easier and more rapid.

The contribution of the Universities and the University and Technical Colleges to National Defence would naturally, as at present, assume the form of Officers' Training Corps, and from these the older boys in the Public Schools should not be excluded. The war has shown the value to the nation of the Officers' Training Corps movement, and its possibilities as a side of post-secondary education are by no means exhausted. It should certainly be a prominent feature in our University life.

The war has indeed made the demand for urgency about reforms such as I have suggested more pressing. They seem to me vital for our national life unless we are content to subside, slowly it may be but surely, into a lower place in the hierarchy of the great nations. None of the reforms so loudly called for to-day in newspapers and on platforms can take their place or in any material degree affect their necessity. They will cost money and involve sacrifices. We must accomplish them with the utmost economy in days in which we are becoming a country overburdened with debt. But accomplish them we must. For if we do not we shall lose the tide.

CHAPTER VI

Organization of the National Resources

By SIR JOSEPH COMPTON-RICKETT, M.P.

In discussing the resources of the nation we must be careful not to limit those resources to immediate money gain and to material advantage. For the moment it is evident that the mind of the nation is concentrating upon a higher ability of production in order to make good its losses, to carry taxation easily, and to come to close grip with the dead weight of its debt. Important as these considerations may be, we must not fail to take stock of our intellectual resourcefulness, lest in a passion for production we lose hold of that capacity which enables us to rise to higher planes of living, and incidentally to lift our treatment of business to the same measure of ability. It is possible to develop a selfishness so intense that it does not take account of the diverse conditions of the Empire, and regards the prosperity of foreign States as contradictory instead of complementary to its own. We must freely admit that the British are jealous of their individual independence, and do not easily submit to rules and to regulations. It is the old story, the alternative, presented again and again in history, should liberty be claimed upon its abstract merit, or because of the benefit which accrues to the nation which declares for it? We cannot always have it both ways, and it looks as if the moment had arrived when the British democracy must make up its mind and pronounce. Shall we take life as easily as in the past, smoke our pipe and swing our legs upon the handiest fence, a little out at elbows, but happy; or, realizing that liberty has often degenerated into licence, call the nation to account and entrust some of its affairs to those competent to co-ordinate them?

Something may be said for our native independence. It is not wholly due to our insular position, to simple ignorance of others, but to the fact that these Islands have been the refuge of men and of ideas which did not commend themselves to continental rulers. These homeless exiles, whether human or ideal, for many centuries have settled here, for we were the ancient outpost of civilization. Fugitives, discontented with their old belongings, claimed sanctuary for every kind of opinion, industrial, scientific, constitutional or anarchic. It is not strange that the British race has been largely affected by this constant immigration. But now America has taken the place of the British Islands and receives the outpouring, not to say the outscouring, of Europe.

Yet we admit that bread must come first. A nation to be really great is better for some wealth. After the demands of bare living have been met, it must reserve energy for the higher things, or it will lose its life in the very act of saving it. There must be a margin of profit, a surplus which can be put out to interest in leisure for Science and for Art, and for a better understanding of the Universe. It was out of this surplus profit that China of old built up her civilization, and we owe more to the wealthy areas of the Euphrates and of the Nile than mankind has fully realized.

We must look to the peculiar position of our own country, for it has insular advantages as well as disabilities. Our way is in the sea and our path is in the great waters. In spite of the tediousness of the long voyages, and the perils of the deep, there is comparative safety in sea transit. With the building of great vessels the economy of water carriage has been increased, and the use of steam has added to its rapidity. We have only to imagine an earth where the oceans were landlocked seas, lacking spaciousness and depth, and where communications were mostly overland. The British Empire might indeed have grown into a second Russia, but on a much smaller scale. In dealing with our own resources we are bound to keep in mind the necessities of the Empire. It is absolutely necessary to maintain communication with every portion, and there is no better means for so doing than the maintenance of trade. For if the Empire was not engaged in intertrading it would weaken its interdependence; commercial alliances would be formed with other States, and out of these would presently grow some political relationship. Nothing, therefore, must diminish our control of the sea-ways, nor oust us from the position of the premier carriers of the world. It is most desirable that the nation should continue to be an international clearing-house, and by its financial operations adjust the balance of trade. We can only retain this position by continuing our large operations in countries sympathetic to our assistance, developing their industries by means of the loans which we issue to them, and receiving from them the interest due to us in the form of products, raw material or otherwise, such as we cannot produce ourselves or which it is not worth our while to create.

All these relationships have a bearing on our mercantile marine, and this practical monopoly of seafaring industry which we now possess is a principal condition of empire. We have been accustomed to carry, not only from the Mother Country to the Dominions, but to every foreign country with which we have dealings, from one Dominion to another, and even from one foreign country to another, until we have become the common carriers of the world. Our loans reach the borrower in the form of goods manufactured in our own country, and we retain the profits of sea-carriage as an element in the price of our exports, whilst we diminish the cost of our imports by returning to this country with full freights instead of in ballast. So long, therefore, as it is necessary for us to import raw material for our manufactures, and to add considerably to our supplies of food, we have occupation for our vessels both ways and can carry cheaper than any nation which restricts itself by a severe limitation of its imports. Incidentally, the mercantile marine is the nursery of our Navy. Taken altogether, we may put our merchant service as one of our resources which are essential to our imperial position. So long as we keep this fact in mind we need not favour any particular fiscal system, for fiscal systems are not intended to establish international welfare, but to favour a particular people—one political organism.

In coming closer to the subject we must assume a condition of peace. It would be a mistake to argue the question upon the assumption that we shall continue to regard any portion of the world as politically outcast. If this conflict were to be brought to a close without our obtaining a decisive result, then the combatants would have to remain on guard like fencers who were getting their breath before they renewed the struggle. Under such a state of things it would be wholly impossible for any nation to devote itself to its best interests. Trade, like all else, would lie under the shadow of an impending disaster, and there could be no pretence of organizing this country or the Empire. But those who have so argued are really half-hearted about the result of the war. They assume that we shall have to meet a Germany as capable as the one with whom we ceased to deal when she invaded Belgium. This theory assumes that the commercial world will be grouped into two opposing alliances which will have nothing to do with one another, but each of them desperately contending in the neutral markets of the world. It would be better to continue the war than to accept such a peace, for violent commercial antipathies of this kind would be almost certain to lead to further outbreaks in an immediate future. It is not worth while even to discuss a commercial policy which could at the most only last a short time and which would be accompanied by very unfavourable conditions and be carried on in the lurid atmosphere of distrust. It may, indeed, be wise to have an alternative system to which we could resort in the unfortunate chance of a future disturbance. For we cannot frame life under conditions of ill-health, but for a normal and sane state of things. For example, we have been willing to sacrifice our personal liberties for a time, but we should certainly not convert the Defence of the Realm Act into a substitute for Magna Charta.

Turning again to conditions of peace, we must look to our resources in the land and in the population. Is it in the best interests of the Empire that we should seek to maintain in these Islands an ever-increasing number; or do our settlements on other continents assure to us freer geographical conditions and a better future for our race?

First, in regard to the soil. Cultivation falls far below the amount of wheat and meat which these Islands require. It has been said that this country comes only just within the wheat zone of Northern latitudes, and that our climatic conditions are not so good as the great wheat-bearing districts of the Old and of the New World. With regard to meat this is otherwise; but land is more valuable in this country, and the feeding-ground of the American Continents can produce more cheaply. Yet it is difficult and costly to transport live beasts, and dead meat imported in a chilled condition has to accept the contingencies of transit. On the other hand, wheat can be transported expeditiously, handled easily. It is an advantage to the bread consumer that the millers' grist should be made up from wheats drawn from various parts of the world. In our climate pasture is not subject to the same risks as attend the growth of the wheat plant, and on the whole the extension of wheat cultivation will probably not be carried to such an extent as to considerably affect our importation. Mixed farming will go on as heretofore, but with better result. If, however, we are to do the best for our land, it is quite impossible to leave its cultivation to the haphazard of the individual cultivator. The old-fashioned farmer, with his leisurely ways and his weekly market, is clearly doomed. He must give way to scheme and to purpose, a scheme which will take into consideration the supplies of the world. As I have attempted to show elsewhere, the local farmer is very little interested in the produce of distant countries, though it is virtually competing with his own. But a Farming Co-operation, whose agents were everywhere, could regulate the character of production by anticipating the demands and supplies of six or twelve months ahead, and would direct the energies of a farmer to that particular product best suited to his soil, and the most likely to secure a good market. The farmer would then become simply a producer; his products would be sold for him and his seed and appliances co-operatively provided. For the balance of food required we must draw upon the markets of the world. It is very doubtful whether our own Dominions would care preferentially to favour us except in time of national emergency. Many of them might have a market close at hand at a better price because of the comparative advantage of carriage. If the United States of America continues to multiply her population, she may become an importer of wheat, willing to give Canada a better price than the British market could offer. If Canada is to give us a preference, we could hardly ask them to sell to us more cheaply than to the United States. Of course in a state of war we should have to give the open market value if Canadian production generally was secured to the Mother Country. Under ordinary circumstances we can make good the difference out of Russian wheat, a wheat well adapted to British milling, or from Indian and Australian supplies. There will always be a certain amount of Canadian wheat for which this country would be prepared to pay a high price in order to improve the millers' grist. At the present time we have the world upon which to draw. If the harvests of the Northern Hemisphere are disappointing, the Southern Hemisphere will come in to redress the balance, to make good the deficiency. To be left at the mercy of the climate of this country for the food we eat would never be tolerated.

But it may be said, What are you going to do if foreign supplies continue plentiful, freights are low, and the British farmer is reduced to such straits that he cannot carry on? Is it not necessary that a minimum quantity of food sufficient to help in an emergency should be grown in these Islands? We admit that this contingency must be taken into account. It is evident that land is the one indispensable thing. A form of property unlike all others, it can neither be increased nor diminished, and yet the national life would be seriously affected if the land were diverted to selfish or temporary objects. To place such land, either immediately or gradually, under the control of the community is only the exercise of a common right inherent in the very thing itself. Village communities with common land were a feature of ancient England as of other countries, and the Crown, as representing the community, has an implied right in its freehold to-day. The feudal cultivation of land demanded homage to the sovereign and a response to a call to arms on the part of the feudal chief. If the community recovers the freehold, it must of course be on terms which recognizes that sale and purchase of land has been free for many years, but behind such liberty of market the rights of the community have existed. Assuming the nation becomes the freeholder and that all rights of cultivation, great and small, are derived from it, a diminution or, in extreme cases, a temporary suspension of rent will act like a bounty and will carry the cultivator over a few months of distress. But it will be said, the soil is not intended to be simply a manufactory for food; it is to give the population home, health, and opportunity. Instead of the large farm, with its scientific treatment and its unbroken area, establish small holdings, revive yeoman farming, employ a much larger number of people. Why should you concentrate such masses in towns, with the evils of factory life impairing the health of the future race, when you could bring more land into cultivation, divide to a much greater extent, and provide homes to which Nature would contribute a restfulness and peace? Is it not better to enjoy a sunset than to attend a cinema? And why should sunsets fade unseen while the streets are crowded and the skies darken? Attach the people to the country, breed a stronger race—the soil is more patriotic than the street. Give stability of tenure, a sense of ownership, and the national life will be strengthened, for the wealth of the country will be expressed in healthy men and women.

However true that may be, it is doubtful whether an increasing number intend to settle upon the land. The spread of education, the development of the intellect, and the multiplication of interests consequent upon both, tend to draw people together instead of dispersing them. Nature is interesting, but slightly monotonous; she requires interpretation, for she speaks in a tongue of her own. We shall have to reckon upon the competition of good employment in the towns. If wages are maintained at a high level, it will require much agricultural advantage to compete with town employment, and it is very possible that a scarcity of agricultural labour may recur. Scientific farming on a large scale, with electric-driven appliances and fewer hands, will probably become the method of the future. It is not very likely that the war will make a difference in this respect. It may even increase the desire for society and for neighbourliness. The scattered cottages, even the hamlet, will be thronged with the ghosts of the battlefield.

Before we plunge into peasant proprietorship let us see how far our proposals are likely to be appreciated. But has not emigration to the great North-West and to other outlying parts of Empire shown that loneliness with agricultural pursuits are not unsuccessfully associated? Sometimes; but the results are not always as satisfactory as they seem. It is the farmer of the Old World who makes the success. He finds a better market, a more responsive soil, a sense of independence, and a week-end at the nearest city, which, combined together, make life tolerable.

We have referred already to the large and elastic capital which has helped the Dominions and opened fresh avenues of trade in foreign countries. These loans have been made, not in gold, but in manufactured goods, in railway and electric plant, agricultural machinery, and much else, according to the form most desired by the borrowers. This export of material employs our factories and our mercantile marine. The interest upon the loan is paid to us in wheat, meat, hides, or some other commodity native to the borrowing country. We are not yet aware of how far our capacity to lend will be affected by the absorption of capital occasioned by the war. Upon the return of peace there will be an enormous demand, both at home and abroad; the ravages of war will have to be repaired and a large number of commercial undertakings, extension of works, and similar developments which have been arrested for the time, will come pressing together into the market. The enemy will be too exhausted, commercially crippled as we believe, to come into active competition with its former competitors, for competition suggests sacrifice. We already see that the credit of this country stands high, and that our enemies are faced with the rapidly declining confidence of neutrals. With that credit we may hope to do our part fully in the openings for trade, which promise to widen considerably. We shall borrow better than any nation in the Old World, and provided that we work together, employers and employed, capital and labour, we shall manufacture more cheaply. There is a long vista before us of favourable trade conditions before a time of reaction sets in, if that ever occurs. But to do this it is essential that we lighten the burden of taxation, not so much by diminishing the amount that we have to pay for interest and in the reduction of the principal of the debt, but in broadening the back that carries it. There is only one direction in which we can successfully increase our national income, and that is by acquiring a control of enterprises which can be worked for the benefit of the community. To begin with, we should naturally turn to monopolies. We have applied this principle in municipalizing electric, gas, water, and light railway undertakings. It does not follow that every experiment must necessarily be successful. In some cases the area has been too small to gather the required amount of business. But we cannot gainsay the principle. Where there is no competition there is little or no incentive to the economy practised by private ownership and no call for invention. A communal authority may just as well gather in the profits for the relief of rates.

If we apply this to large monopolies, there is equally good reason for communal action—and sometimes better. Why should not the communications of the country be in the hands of the nation as we monopolize the carrying of letters and parcels? For these and other great undertakings fresh departments would have to be created, largely autonomous, though responsible to the Government as formerly to their shareholders. The control should be practically free from meddling interference, as, indeed, the Army and the Navy are supposed to be. The elimination of wasteful competition, the better service, the steady development of the national resources—all these would help to swell the national income. The skilled management already at the disposal of great concerns would be available to a larger extent for the nation, to whom the high payment of ability would be a trifling addition to the cost of working. Existing liabilities to individuals could be discharged by State bonds of different character at fixed rates of interest, according to the findings of a commission appointed for the purpose of determining them. The public would not be more remote, probably not so remote, as the shareholder is from the management of his own company at the present time. An increased amount of labour would be nationally employed upon terms which must be more satisfactory to the employed than any which private capital could offer, for it would be reliable. It could have a pension scheme as part of the reward of labour, and the workman would feel that the profit which he contributed to make was going direct to the State instead of into private hands. Trade disputes would be less frequent, and could probably be avoided by the recognition of a sliding-scale method of remuneration. At any rate, the State has constantly to intervene in trade disputes at the present time, whereas employment on national service would secure more consideration for a worker and a healthy public opinion which would be just as well as generous.

Such collectivism could be cautiously extended, and it would meet to a considerable extent the rather vague suggestions of Socialism which, on a national scale, are, for the time at any rate, impossible in this country. We depend so largely upon foreign trade, that the international position is as important to us as the national. It is not difficult to see that we should require other civilized States to start with us upon full-blooded Socialism if we are to compete with them in the markets of the world. Of course, no confiscation of existing property in personal ownership could be discussed, and probably is not entertained. No great reform has ever been successful when confiscation was attempted, unless it were preceded by revolution. In such comparatively minor matters as the freeing of the slaves, or the disestablishment of a Church, existing interests have been protected or have been bought outright. Therefore, in any case, State Socialism would only be introduced by degrees. But the growth of communal control and of State ownership will probably secure the best of Socialism for us without its inherent weakness.

Yet we must go a considerable step farther in State control of the resources of the country. Our organizing ability, so widely distributed, is exercised at the present time in a wasteful manner by the commercial world. It is almost an accident whether one industry is developed or another deserted. There is no means of determining whether an excess of labour and capital are being directed to one industry and too little to another. Profits may be unreasonably raised by combination or unreasonably depressed by competition. The consumer may be paying too much at one time or too little at another. If he be paying too little, he is estranging capital and starving the worker. The unfair cheapness of an article leads to extravagance and to waste. An employment of labour and capital in excess of natural demands for a product necessarily implies a withdrawal from some other employment of both, more useful to the community. That which the individual cannot accomplish because he has neither the facts at his disposal nor the field to survey, national government should be able to do. It may be the duty of the new department, the Ministry of Commerce, to control the output of the country, to see that it is maintained at the full, that new industries are experimentally started, and that an excess of output in some particular direction is checked. Already financial organizations of a national character have been suggested in order that likely projects may have some support. In other words, we are bound to make the best of what we are doing and can do. But when we have done our share in the United Kingdom, there will be work which it will pay us better to have done elsewhere. There are great Dependencies of the Empire where coloured labour should have an opportunity.

The intelligence of Eastern races is quite competent to factory work, and there is no reason why the Eastern markets should not be supplied from the labour of our coloured fellow-subjects, particularly where the raw material is grown at their doors. Provided the labour of the United Kingdom is fully employed, the Indian worker should have his share. Mills could be run with shorter shifts than in this country under good sanitary conditions. The Oriental worker requires less animal food and less clothing, because the heat of the sun makes up for the difference between him and the European.

There is reason to suppose that a much better wage could be paid to the Eastern worker than he has ever received, enabling him to lift his scale of living ; whilst the cost of production would be reduced by not having to bring the raw material to this country and to export it to the original source of supply across half the world in the form of manufactured goods. In any part of the world the minimum wage must be determined upon a base of comfortable living, and having disentangled that cost from wages and fixed it from time to time by local committees (as at present in coal-mining), the share which labour should have in profit should be a simpler problem in most cases, to be arranged perhaps on sliding scale like that which secured industrial peace for many years in South Wales during the latter part of the last century. Whilst a liberal share must be reserved for labour, it would be remembered that labour is a first charge upon gross profits and is paid with definite regularity. There are capitalist profits unreasonably large, but there are also failures and bankruptcies, which form part of the average in reckoning the return made to capital. Greater confidence, a disclosure of facts, would solve many of the difficulties between employer and employed ; difficulties which are often due to misconception. In those exceptional cases where profits are too large the nation can recover that which has temporarily escaped its control by means of income-tax, super-tax, and death duties. These last can be trusted to reduce the largest estate to manageable proportions, as they are imposed again and again upon successive transfers of the original property.

We venture to say that if the problems which will be successively presented to us are handled with courage and enterprise, there is no reason to fear that the world will not want us for many years to come in the various services which we have rendered in the past with so much effect. An economy in direction of our powers is demanded. Our energies, instead of being spread over too wide an area like a great river finding its way to the sea through a delta of small streams and marshland, will have to be confined in deep channels, restrained by embankment, and utilized to the utmost. Given peace and goodwill, there is no doubt this country will be able to discharge its liabilities, carry its taxation, and reduce its debt with the same ease with which it has pursued its way during a period of unrestrained individualism. We are coming more closely together, and this sense of common citizenship will prove even commercially profitable.

CHAPTER VII

The State and Industry

By WM. GARNETT, M.A., D.C.L.,

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WHAT has the State to do with Industry? Most British manufacturers have hitherto held that the less the State interferes with industry the better for all concerned. They have asked only to be allowed to go their own way with as little factory legislation and inspection as possible. They have held that they know their own business best and would be hindered rather than helped by any interference from without, however well intentioned it might be. In their opinion the functions of Government lie entirely outside the field of industry or commerce, except to see fair play between parties. The Ministers of the Crown may therefore be lawyers and politicians, and the permanent officers of the State may be purely administrative. No knowledge of science, industry, or commerce need be required of them. If an industrial leader rise to Cabinet rank it is an accident and of rare occurrence, while there is no record of a man of scientific attainments attaining that dignity. Perhaps Lord Playfair most nearly approached it. The unqualified attitude of competition which obtains throughout British industry, and the spirit of individualism which largely characterizes the schools and the whole upbringing of the commercial and industrial classes in this country, have tended to encourage the view that industry and commerce should be left to fight their own battles with as little interference as possible on the part of the State. The manufacturer pays his income-tax with a subconscious impression that it is an item of entirely unproductive expenditure.

But there have been exceptions to the attitude of opposition to Governmental interference. As long as home markets are held exclusively by home manufacturers and competition is purely domestic the State may stand aside. When foreign goods find their way into British markets some leaders of industry say that this enables the foreigner to pay for British goods sold to him and encourages British trade abroad, but others invoke the State to institute a protective tariff ; and when the foreigner takes to supplying his own market with goods formerly made in Britain, so that the balance of trade is against this country, the cry for a protective tariff becomes more general. The manufacturer has not hitherto asked the State to help him to produce better or cheaper goods, or even to assist him in opening up foreign markets and securing foreign contracts. The spirit of competition has prevented any such united action on the part of the trades, which have been very slow even in inviting the co-operation of men of science in charge of public laboratories, partly because they have had little confidence in the assistance they could render, and partly on account of unwillingness to share information. There is one case, other than the imposition of a tariff, in which State assistance has not always been unwelcome either to industrial capital or labour. In the event of disputes leading to strikes the mediation of the Board of Trade has sometimes been useful.

Hitherto association among employers has existed in this country mainly, if not exclusively, for two purposes—to defend themselves against the demands of labour, and to keep up prices against the consumer. It is seldom, if ever, that an association of manufacturers has existed for the purpose of carrying out experimental investigations in their common interest, or distributing work among the several members so that it may be carried out in the cheapest way possible in the interest of the consumer and of British trade in foreign markets, or of organizing a system of training for different grades of employees.

If home production and home consumption alone had to be considered, the trades would not be much the worse off for this system of competitive individualism ; but when foreign consumption of home-made goods and home consumption of foreign goods come to the front the case takes an entirely different aspect, and, if British industry is to hold its own under these conditions, there must be association for industrial research, for the distribution of work, and for the training of all grades of workers. In the first and last of these objects the State is able to co-operate with the trades.

The war has taught us much with regard to industrial possibilities, especially with respect to the help which industry can receive from unexpected quarters. Statesmen, administrators, manufacturers, teachers have all had before them object-lessons, in which they have, in many cases, themselves taken part, and many of the old traditions which have been accepted without experimental investigation have been blown to the winds by the exigencies of war. Much that has been done during the last two years lies for the present under the cover of the Defence of the Realm Act, but there are some illustrations which are already public property. For example, soon after the war broke out there was a great dearth of chemical glassware which would sustain rapid variation of temperature without fracture, and analytical chemists as well as chemical manufacturers were in some difficulty. Such glass had not been made in England, but the investigations of a committee appointed by the Institute of Chemistry and aided especially by Professor Jackson, of King's College, have led to the solution of the problem, and chemical glassware is now made in this country of a quality equal to the Jena ware and at approximately the same price. There was a similar difficulty with regard to hard porcelain, and this also has been solved in the pottery school at Stoke-on-Trent. When the Ministry of Munitions commenced the establishment of shell factories all over the country the initial difficulty lay in the provision of gauges for the inspectors. The ordinary fuse of an 18-lb. shell is made of so many parts, that something like eighty gauges are required for testing them before they are assembled to form the fuse. It was consequently announced eighteen months ago that 70,000 gauges were required as quickly as possible for the use of inspectors, and as a rule each gauge must be correct to three ten-thousandths of an inch. The country had been dependent very largely on the Continent for precision tools. British toolmakers were already overcrowded with work, and the Ministry of Munitions had recourse to what the trade would certainly have regarded as a *dernier ressort* viz. the technical schools—with such success that it is probable that very nearly 100,000 gauges will have been made by these institutions and accepted by the Government before the end of the year (1916). Not only gauges, though, on account of the delicacy of the work, these are by far the most important items turned out by the engineering departments of the schools, but parts of machine tools and many other items requiring considerable skill in execution are among the work executed by the schools for the Ministry of Munitions, the War Office, or the Admiralty. That technical institutions could successfully cope with emergency work in this way caused almost as much surprise to British manufacturers as the response of such democratic countries as France and Britain and her Dependencies to the call of war created in the minds of Central Europe.

But not only tools but men were required for the manufacture of munitions of war, and herein came another surprise even to those who had been intimately acquainted with the training of mechanical engineers. Nearly 25 per cent. of the men employed in the engineering trades of this country had joined the colours. It was important that, as far as possible, ordinary engineering work should be continued in order that we might have something to give in exchange for imported food, but the demand for shells was paramount. Classes in fitting and turning were consequently established in the workshops of many educational institutions, and some schools were specially equipped for the purpose. Later on tool-setting was added to the subjects taught. The classes were attended by clerks, artists, barristers, and many others who had never handled engineers' tools, including women of almost all ages, as well as men of advanced years who had been engineers in their youth; and it was found that an "intensive" course of instruction, extending over 150 hours (half-time for six weeks), was sufficient to enable these nondescript workers to earn a living wage in a shell factory, with prospects of rapid increase to 50s. or 60s. a week. Here, again, it has been shown that the technical departments of the schools can render service of the most practical character to the State. Probably nearly 20,000 workers have been thus trained. Lens grinding for optical instruments is another subject which has been similarly taught.

Another point which has been brought into prominence by the national emergency is the value of scientific organization in works. Not only has this enabled unskilled and semi-skilled workers to be employed to the greatest advantage on work which in former days would have been carried out exclusively by skilled men, but with the withdrawal of artificial limitations it has been found possible in this country, as in America, greatly to increase the output per man and per machine without inflicting any hardship upon labour, and workmen have learned that under war conditions there is no limit to demand, and wages increase in proportion as the work is speeded up. It may, of course, be contended that the great advantage which has accrued to the workman through withdrawal of all limitations upon output has been due to the exceptional pressure of war conditions; but America has proved that similar advantages to the worker obtain in time of peace. In America the hours of work are not longer, but the workman earns more than double the wages earned in this country because his output is more than double; and this output has not choked the markets of the world, because there is an unlimited demand for manufactured goods if only they can be produced at a sufficiently low price. The increased output per man, though it raises his wages in the same or higher ratio, actually lowers the cost of production because it means increased output per machine, and machines do not receive wages, and it means increased output for the buildings and establishment, and the cost of upkeep and of management is not increased in the same ratio. If the workers of the country will remember the lessons of the war in this respect, and if employers will abstain from putting any difficulties in the way of greatly increased wages, provided they are fairly earned—although it may be that the piece-worker earns more than his foreman, just as in the public service a professional expert may earn more than his administrative chief—Britain may hope after the war to put forth her whole industrial strength in order to win back her claim to be the "workshop of the world," instead of working at less than half-power as of late years. These are questions which cannot easily be controlled by the State; they depend upon the voluntary action of employers and employed; but something might be done in the schools to bring about a clearer understanding of the economic problem involved without the necessity of State control of works.

How can the State aid British industry? I do not propose to enter into the vexed question of "Tariff

Reform." New industries which are important to the State require protection during their infancy like all other young creatures belonging to the higher orders, but it may fairly be contended that direct assistance during the years of development is more useful than a protective tariff; for though the tariff may secure the home market against the competition of foreign goods produced at lower cost, in order that foreign markets may be open to British goods the actual cost of production must be brought down to the foreign cost, and this reduction in cost is not hastened by a protective tariff.

If industry is to be encouraged by the State, the Executive Government must first realize that it has some responsibilities for the development of British industry. It is not sufficient to increase the territorial area of the Empire if foreigners are permitted to secure monopolies over the mineral wealth of the Dependencies. Arrangements by which plant or machinery for dealing with the mineral resources of the country is erected by foreigners, to be paid for by a monopoly of the products for a term of years, should be legalized only when the Board of Trade is satisfied on scientific evidence that the proposed monopoly is not inimical to British interests. But the most important demand on the attention of the Government is the entire absence in this country of the manufacture of goods which are necessaries of life or essential to the conduct of war. Attention has been called in the preceding pages to some features of industry which have been revealed by the present war, but probably nothing has caused so much surprise to the public generally as the revelation of the extent to which we have been dependent on foreign nations for manufactured articles which have become the necessaries of life and of civilization. Some years before the declaration of war the writer was interested in representations made to certain Government departments on the question of the production of optical glass and the manufacture of optical instruments. The position was that we simply did not know how to make certain glasses employed in the most important instruments required by the Admiralty and the War Office and for other scientific purposes, and the assistance of the Government was sought for a scheme of laboratory investigations similar to those which had rendered possible the Jena glassworks. It was pointed out that in the event of European war the Navy and Army would be unable to secure the necessary supply of range-finders, gun-sights, binoculars, and other essential instruments, but the reply was to the effect that the assistance, if granted, would create an inconvenient precedent. Although an extensive system of commandeering optical instruments was adopted, there are those who maintain that thousands of lives were lost during the early months of the war through lack of sufficient optical instruments at the front. Since those days precedents have been ignored, and experience has shown that if the aid of the scientific investigators who were readily available had been secured the situation could have been saved. The position of this country and America with regard to dyestuffs is too well known to need more than a passing mention. Reference has already been made to glass and porcelain for chemical purposes. For very many drugs we were, and still are, dependent on foreign sources. The need for local anæsthetics came very prominently to the front at an early stage, and here the chemical laboratories and teaching staffs of many educational institutions were requisitioned to serve the military hospitals. In the hardware trade not only the public, but in many cases the retail shopkeepers, were ignorant of the sources of supply of the goods they bought and sold. Purchases were made by provincial retailers through London factors, and a dealer informed the writer that until supplies were stopped through the war he had no knowledge that three-fourths of the tools he sold were of German manufacture.

It may fairly be contended that it is a primary duty on the part of the State to secure that the country shall not be dependent on a possible enemy State for such essentials as drugs and optical and chemical apparatus, and, whatever the cost, persons should receive the requisite training and works should be established for the manufacture of all necessary goods for the supply of which we are at present restricted to a very limited number of foreign sources. If it were suggested that we should abandon our arsenals and dockyards because we can buy foreign guns and warships more cheaply than we can build them, the absurdity of the proposal would be at once apparent. But ships and guns are of little use without auxiliary appliances, and it is only necessary for this to be clearly appreciated to make manifest the folly of relegating to foreign countries the manufacture of these appliances, or the preparation of any of the materials on which their manufacture depends, simply because the work done at home does not pay. It seems a far cry from a *Dreadnought* to a test-tube, but a warship is of little use without explosives, or a submarine without a periscope, and the manufacture of explosives or of optical glass is a delicate chemical process which has to be watched and tested at all stages. Without the experimental apparatus of the laboratory the work of the explosives factory is impossible. It is only by this far-sighted policy of keeping an eye on every essential detail, however apparently remote from the main issue, that a war can be successfully waged, and much the same is true of industrial competition.

The Government has already taken one important step in recognition of its duties towards industry. In July 1915 a Committee of the Privy Council was formed "for Scientific and Industrial Research," aided by an Advisory Council of men well known in science and industry. A sum of £25,000 was entrusted to the Committee for the first year, and the grant has been increased by £40,000 for the current year. The Advisory Council has appointed Standing Committees for Engineering, Metallurgy, and Mining, and others are in contemplation. To these committees will be referred particular questions relating to their respective groups of industries. It is the duty of the Advisory Council to make and consider proposals for instituting specific researches; for "establishing or developing special institutions or departments of existing institutions for the scientific study of problems affecting particular industries and trades; and for the establishment and award of Research Scholarships and Fellowships." The researches which have already been aided include, among others, laboratory glass, optical glass, refractory materials for furnace work, the properties of insulating oils, the corrosion of non-ferrous metals, hard porcelain, tin, and tungsten, and the deterioration of structures of timber, metal, and concrete in sea-water, as well as the conservation of coal.

This departure on the part of the Government is a very distinct recognition of an important responsibility, a responsibility which has been further recognized by the assistance rendered to the manufacture of dyestuffs. The success which is likely to be achieved depends very much on the response of the leaders of industry. The State, whether acting through the Privy Council Committee or otherwise, can assist an industry; it cannot, as a rule, assist a particular firm which may be one of many. In order, therefore, that any trade may secure the full benefit of the action of the Government it must be prepared to combine for the purpose of industrial research; and, if it is to produce at the lowest cost, the objects of the combination must include distribution of work among the several manufacturers and the training of all grades of workers.[1]

One of the most hopeful results of the present war conditions has been the increased willingness of the leaders of industry to form associations for some, at least, of the purposes indicated above; but what has been effected in this direction is a very small fraction of what is required. For purposes of industrial research trade associations may, to some extent, be replaced by the Standing Committees formed by the Advisory Council, but the essential feature of success is the "pooling" of information, and this must be a voluntary act on the part of manufacturers. The trade association must take stock of its methods and difficulties, and select the subjects on which investigation is required. It must then make a schedule of public institutions (university departments, technical schools, etc.) in which provision has been, or can be, made for experimental work in connection with the trade and also of the scientific workers available. This schedule should be prepared in consultation with the Advisory Council or one of its Standing Committees. In many cases it will be found that the existing provision for experimental work is insufficient or wholly wanting, and it should then be the business of the Advisory Council, in concert with the trade association, to make the necessary provision in a central institution, conducted more or less after the model of the National Physical Laboratory, or a local school, like the Pottery School at Stoke-on-Trent. While some, and it is hoped many, investigations will originate with the trades, others will be suggested by the Standing Committees of the Advisory Council, and many others by the scientific workers who are engaged in carrying out the experimental work.

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[1] Since this article was written the Government has made an important announcement with reference to industrial and scientific research. It was on the 1st December, 1916, in reply to a deputation introduced by the President of the Royal Society, and supported by the President of the Institution of Civil Engineers and by Professor Baker of the Imperial College, that Lord Crewe, then Lord President of the Council, announced that a Royal Charter had been granted to the official members of the Committee of the Privy Council for Scientific and Industrial Research under the title of "The Imperial Trust for the Encouragement of Scientific and Industrial Research," so as to enable it to hold land and personal property for the furtherance of its objects; and in order that it should not be entirely dependent from year to year on Parliamentary grants, in as much as its work must be continuous from year to year, it had been decided to anticipate five years' expenditure on a scale of five times the current rate by a single grant to be paid over to the Imperial Trust. It is understood that this sum, which must be of the order of £1,000,000, is in addition to any sum which may be voted in the annual Estimates, and its expenditure will be restricted to research undertaken in connection with trade associations which will utilize the results for the benefit of the trade generally. In this way the fund will be used to encourage the formation of such associations. Lord Crewe also announced that the Board of Inland Revenue had agreed that contributions made under suitable conditions by traders to industrial associations formed for the sole purpose of scientific research, or to the research section of an existing association, should be free of income-tax and of excess-profits tax.

It has been customary for so-called "practical men" to disparage the assistance which scientific workers can render to industry, and that not altogether without reason. Too often the scientific adviser employed in a works is a young man at a very low salary who has had no opportunity of gaining experience outside his college laboratory. It would not be reasonable to place a medical student in the consulting-room of a specialist and condemn medicine because his experience was not adequate to the needs of the situation. Another reason why, in this country, industry has not received as much help from science as among some of our industrial rivals is that, on the one hand, the scientific professor has kept aloof from industry in his university laboratory and has frequently been prevented from taking any part in commercial work; the manufacturer, on the other hand, has not taken the scientific worker into his confidence or attempted to use his ability and resources to the best advantage. It has been stated that if a professor of mechanics were taken round a weaving shed he would probably suggest a number of alterations in existing practice, only to learn that all these had been tried and for good reason abandoned long ago and that the present system was the best that could be devised. This would probably be quite true, as far as the suggestions are concerned, if it were the professor's first visit to a weaving shed. Improvements in industrial processes are not generally made on the first half-hour's acquaintance. If scientific and industrial research are to be of full value to industry, the researchers must, in many cases, live in close touch with the industry. The gap between the professor's laboratory and the factory must be bridged. Lord Kelvin was a scientific instrument maker (Kelvin and White) for part of his time, a practical yachtsman for another part, and a professor conducting a research laboratory with the help of his own students only when he was not engaged in some other enterprise.

Sometimes a new discovery can be at once adapted to commercial requirements, but this is not often the case. Those scientific researches which have revolutionized industries have frequently required a long time for their development, which has taken place in three stages.

1. *The purely scientific research* which has led to the discovery. This may have been conducted with a totally different object, or purely for the purpose of the advancement of knowledge for its own sake. The less the State or any other authority attempts to "organize" scientific work of this description the better.

2. *Adaptation and Standardization.* In this stage the discovery has to be adapted to industrial requirements so as to be commercially useful, and processes of manufacture and mechanical parts have to be standardized so that they can be reproduced with precision. A vast amount of scientific labour was required before Faraday's apparatus for producing a magnetic spark gave place to the dynamos capable of a specified output with a specified efficiency when driven at a specified speed.

3. *Commercialization,* involving the design and manufacture of plant capable of turning out the product on a commercial scale.

It is in the second of these stages that organized State aid can be made most effective. It must be carried out on a semi-commercial scale, because reactions in a test-tube may be very different from those in a steam pan. The work is essentially industrial research.

The process of mining coal affords an illustration of the three stages of investigation through which an invention may have to pass before it can be utilized in commercial manufacture. In the first instance a small hole is bored and the cores are carefully examined by experts. This is a purely scientific investigation. The result is simply an increase of knowledge. Neither the hole nor the core is of any commercial value. If no coal is reached, the investigation has to be abandoned in that particular spot. If seams of coal of workable thickness are found, scientific research passes into the stage of industrial research and shafts must be sunk to render the coal available. This operation may be far from a simple and straightforward proceeding. Sinking a shaft differs from boring a small hole to the same depth. Running sand may be met, which has to be frozen before it can be excavated, and the necessary tubbing inserted to line the shaft. Other difficulties, foreseen and unforeseen, may occur, but the objective is perfectly definite. Engineering skill, time, labour, and capital are all that are required.

When the shafts have been sunk to reach the coal they must be connected underground, the necessary wagon ways must be started, and all the apparatus for hauling, winding, ventilating, screening, and loading, together with many other subordinate appliances, must be provided before the coal can be worked on a commercial scale. The whole process affords a somewhat crude illustration of the stages of investigation, adaptation, and commercialization necessary in order that the work of the scientific researcher may produce results of industrial value.

There is another type of industrial research of a simpler character in which the object is to remove some difficulty or uncertainty in a manufacturing process, or, perhaps, to discover some more economical method of carrying out an operation. Here the investigator has a distinct object in view towards which alone he works. In the course of his investigation he may possibly alight on some independent discovery, if his mind is on the alert and his eyes are open for side issues, but the original investigation is a problem of a definite type enunciated by the trade to meet a felt want.

If research is to be successful there must be an adequate supply of scientific workers. The reference to the Advisory Council covers the provision of higher scholarships for the training of these workers, and the Consultative Committee of the Board of Education is recommending the Government to provide £200,000 a year for school and university scholarships leading up to these. But if Britain is to put forth all her industrial strength, trade associations must co-operate with the State in a vastly greater educational reform than is indicated by the provision of scholarships, however numerous and valuable. The first and greatest task is to develop in all schools that spirit of collectivism which is encouraged in the universities and public schools by means of sports. The footballer plays for his team and the oarsman rows for his boat. In the field he will fight for the honour of his brigade. The spirit of the classroom in the competition for places, prizes, and scholarships is purely individualistic. It has been said that in the present war the great public schools and the public elementary schools have shown up better than the ordinary secondary schools, from which the majority of those engaged in commerce and in directing industry are drawn. We do not want the schools to become a tool in the hands of the State for "educating" children to regard themselves merely as pawns to be moved about by a military despotism. They must regard themselves as intelligent citizens with freedom of action, like the football player, but that freedom subordinated to the common weal. Self-interest is to be respected, but the claims of the community come first. Knowledge is to be shared and not used for purely selfish ends. The interest of the community will in the long run make for the greatest happiness of the individual. Here is the problem for the schools. When it has been solved, trade associations for the advancement of British industry will be possible.

The second problem, which is much easier for the State to handle, is the establishment of a system of continuation schools which shall provide at least part-time education for all boys and girls up to the age of seventeen, attendance being compulsory and mostly during workshop hours. Here, again, there must be co-operation between the trades and the State, and it is very desirable that such co-operation should be voluntary, the trades falling in with the legislation necessary to give effect to the scheme. In the continuation school the interest of the work must focus upon the daily occupation of the pupils, except that in the case of those engaged in "blind-alley occupations" some permanent employment in which the pupil is interested must be selected by him as the guide to his training. Focussing the interest in employment does not mean that the education provided is wholly, or even mostly, technical.

Outside the continuation schools provision must be made in State-aided schools for all grades of workers, including works managers, scientific advisers, and industrial statesmen. These courses should be sketched in the first instance by the trade associations, as has been done by the Manchester engineers; but this is not the place to enter upon educational details. It is necessary, however, to point out that in the schools of the future, while attention must be paid to language and literature, children must be brought much more closely into touch with their environment than has hitherto been the case. There is more of "the humanities" in the construction of a toy or the making of a simple experiment, carried out spontaneously for the love of it, than in a page of irregular Latin verbs or in the speculations of the schoolmen.

There is another way in which the State can assist industry if only manufacturers in each trade will combine to co-operate with the State. Under the present system of competition in foreign markets, as at home, each manufacturer can be represented only by such agents as he can afford to pay, and these are frequently not comparable with the representatives of foreign trade combinations. If manufacturers would unite for joint representation in a foreign country, agents of high standing and great ability would be available and, as representatives of the whole British trade, they could be supported and introduced by the Consular and, when necessary, even by the Diplomatic Service. Here, too, is a vast field of educational work for schools and colleges in the training of commercial representatives of British trades—men whose training will not have been confined to shorthand and book-keeping, office routine and a modern language, but men who will have a thorough knowledge of the country or countries to which they will be sent and also of the goods they have to sell, including such a knowledge of their manufacture as will enable them to discuss modifications in detail to meet the requirements of foreign customers.

CHAPTER VIII

The State and Labour

By PROFESSOR S. J. CHAPMAN

THE problem of the State in relation to labour raises two questions: the one, What should be aimed at in labour arrangements? and the other, How far is the State the best engine, or even an efficient engine at all, for bringing about the desired end? Both of these questions would be difficult to answer in normal times, for a community like the English in which springs of action that might be ignored in a simpler social system have developed into important economic forces; and they are much more difficult to answer to-day. But immediate attention to them is called for, since economic organization after the war will be in a more or less chaotic condition, and at the same time in an unusually malleable condition, and chance is seldom a perfect architect. As in human affairs, however, an end only becomes precisely defined when it is on the verge of being realized, we cannot hope to frame more than a rough idea of the State's future duties with reference to labour. And before attempting to frame even a rough idea, it will obviously be needful to grasp the tendencies that were ruling antecedent to hostilities.

Looking at the labour world in the broadest possible way, three movements proceeding from three different sources appear to stand out. One, which began as a vague demand for greater productive efficiency, had already created some stir in capitalistic circles, and was developing a definite programme for securing what was called "Scientific Management." Another (constituted of several movements that were assimilating), with only partially formulated ideas, was pressing the claims of labour for an improved status in reference to production, greater security of income and position, higher wages, and, generally, a scheme of remuneration which would make wages more like a partner's share in the product of an industry and less like a commodity's price. With a part of this mixed movement, a state of purposeless fermentation and local discontent with trade union organization and policy were associated. The term "Syndicalism" is sometimes applied to this element in the labour movement, though its affinities with the concrete syndicalism of the Continent are not pronounced. The third group of tendencies marked a growing interest on the part of the nation in the conditions of life and physical and mental well-being, intermingled with concern for the future of the race. From this arose housing reform, schemes for equalizing opportunities, the minimum wage demand, and eugenics.

The three complex social currents distinguished above cut across one another to some extent. But the first was primarily capitalistic in its origin, though, liberally regarded, its end was a national one; the second was peculiarly labour in its initiation; and the third, national or State, though portions of it could be equally attributed to labour. Thus social betterment relating to housing and the conditions of life has received weighty labour support, but labour organizations have not shown themselves disposed to spend lavishly upon it either in money or effort. Again, the Poor Law reform agitation, or attempted agitation, confirms the conclusion drawn above. Its promoters were largely middle-class and its propaganda ended generally in a limited or tepid following, though labour sympathy was not lacking. The truth is that it did not happen to be in touch with any nucleus of the distinctive labour movement. Another example may be drawn from education. It is one of the most hopeful signs of the times that there is no class without its coterie of educational enthusiasts, but there are striking differences in point of view and relative emphasis as between class and class. Industrial leaders incline to rely too much on the efficiency test, and to encourage only the technical and commercial education which makes expert producing machines—excellent things in themselves, but by no means all that education stands for. The social reformer's ideal of an education which discovers talent, and by developing it makes the best men and women and gives opportunities to the poorer classes, has seldom won more than a mere intellectual acceptance in capitalistic quarters. To the employer, broadly speaking, it seems to be only remotely "business," and, so far as it is, to conduce to severer competition, which he cannot be expected to encourage. And in labour circles, this conception of one of the functions of education has received neither the first blessing nor unqualified and unsuspicious support. Indeed, the elementary step of raising the school age has divided the labour world; and there are those who fear lest the policy of giving special opportunities to picked individuals should weaken the cohesion of labour. The insistence, in the popular movement for the higher education of workpeople, on the principle that the workpeople when educated should remain workpeople—which has its good side, it must be allowed, in repudiating the mere bread-and-butter notion of education—is significant.

All this, of course, is to view things in the mass and not draw fine distinctions; but viewing things in this way, we would certainly seem to be warranted in representing the movements affecting labour prior to the war as working from the three angles of a triangle, as it were, so that, when not exactly opposed, they were competing rather than co-operating. Given understanding among our official and unofficial leaders, and the avoidance of precipitancy, one effect of the war may be to resolve this triangular system of forces into parallelograms of forces. But, before this is argued, something must be said of State action along the old lines.

We may agree at once that, apart from financial considerations, nothing has occurred to justify the curtailment of the national labour or betterment movement, while much has occurred to impel it forward in certain directions. It is true that we should have learnt to be less apprehensive about the physical and moral strength of the race, but at the same time we must be realizing more fully its extreme importance. The minimum wage policy may have to be carried farther. Again, during the demobilization of the Army and the remobilization of industry, employment exchanges will have to work as they have never done before; and, if the economic system can retain some of its recently acquired plasticity, the function of these institutions will be permanently magnified. In many other directions also, more will be required of the State. One question in particular will stand out for consideration *de novo*, namely the question of the industrial position of women. This raises issues that will be discussed in a later section, but we must notice here that a minuter scrutiny of the conditions under which women may be safely employed will have to be undertaken. The industrial activities of women may, and probably will, continue on a larger scale than heretofore ; and, if so, it will be more than ever pressing to consider how to avoid their undue strain. Between no industrial work and industrial work of an arduousness and daily duration that a man can stand without undue strain, but not the average woman, there are numerous intermediate positions. It ought not to be beyond the powers of organization to fit in the employment of women, under conditions suited to their powers, with the employment of men under different and less restricted conditions. The open-minded must have been convinced by now that the disposal of this Gordian knot by the slashing system of far-reaching prohibition is probably the course most to be avoided. Lengthy comment on the work of the State in spheres already approved cannot now be attempted, but we must not omit to observe further that for all time the value of its social action will probably remain greatest where it now does most. Education with a human and national end in view, and the furnishing of opportunities in other ways (among which offering a future to the enterprising on the land may be more urgently demanded and needed after the war), make the men which make the State and lay the foundations of our well-being.

We may conclude that more and not less will be required of the State on the old lines—even though more economy and less comfort may have to be aimed at for a time—particularly in view of the probability that the national attitude which the war has induced in the mass of the population will survive sufficiently to bring to social reform on the old lines a great accession of popular support. But the disturbing thought confronts us that financial stringency and a smaller national income may limit the Government's capacity to do all that should be done. Will there be obstacles in restricted means, and can they be minimized? This question leads directly to the considerations to be developed next.

Our analysis of pre-war conditions brought out three non-co-operating, and in part conflicting, groups of tendencies, and our immediate concern now is exclusively with the bearing of State action upon two of them. Up to the time of the war, the State had interested itself mainly in what we have called the national group, except to interpose occasionally in other matters in an indirect or advisory way as public interest seemed to dictate. But there is every reason to suppose that the lines of projection of these three groups of movements will be deflected and attracted to one another by the war. For example, the interest of the State is likely to be drawn to the question of labour efficiency, both because of the enormous problems of finance that the war will leave as a legacy and because the State's economic policy, apart from finance, must have a productive side. The nation's revenue will become a matter of the deepest concern ; upon it the future of the social reform that has already been started will depend ; and what the revenue can be is largely determined by what the nation's income is. Again, it must not be assumed that the Government will entirely ignore the productive problems involved in the maintenance of key industries and fundamental industries, and other problems that may be raised when it is sought to cement our political alliances on the economic plane. Foreign competition in over-sea markets, if nothing else, will inevitably bring the State to the capitalistic angle of vision with regard to producing costs. But this attraction will not mean a surrender of the State's constitutional point of view ; when it assumes the organizer's interest it cannot and will not discard its national bias. In short, its productive policy is bound to become inherently a social policy. Moreover, in entering as an interested party into the problem of production, the State, by virtue of the fact that it stands for all classes, will be naturally involved on the labour side ; and only in so far as it can reconcile its productive objects with labour claims will it be able to maintain a productive policy. It is, therefore, conceivable that the angles dividing the three groups of tendencies already defined may be so reduced that the tendencies will become co-operating ones. And this is possible for another reason also. The aims of the different groups of labour may become less sectional, because something of the war's public point of view may survive, and the labour movement will acquire the habit of the national outlook if it identifies itself more with what we have called the national social movement.

The wish is strong enough to be father to the thought, but there is nothing inherently improbable in the thought. Scientific management could be advocated to promote the interests of labour, only in that case more weight would have to be attached to ultimate effects and to the subjective side of human activities. Opposition to scientific management has been aroused by its too exclusive reference to the magnitude of the output; and doubtless it has been a fault in the labour point of view to ignore or treat as negligible the magnitude of the output. It does not follow that as more is produced more goes to labour, but it may be arranged for more to go to labour; and with this arranged—which means the concession of no small part of the labour demands—scientific management, liberally interpreted, would become a corollary of the contention of labour, provided that the security of the workman's income was not sacrificed, or diminished in any way, without a *quid pro quo*. The question of this security is one source of existing conflict. The workman is fighting for more security; and the regulations of his trade union are to some extent designed to ensure it, by checking the substitution of unskilled for skilled labour, for instance, and by making the demand for skilled work rigid, despite mechanical improvements, as in the case of rules relating to the ratio of machines to operatives. But "scientific management" assumes the levelling or lowering of these protective barriers. It has yet to discover how to recommend itself to labour interests: that a way can be found by pruning and modifying the crude capitalistic conception of scientific management, without sacrificing its essentials, will be maintained later. Similarly, the labour demand may be reduced in substance to the capitalistic, for what fosters the motive powers of production must tend to magnify the output. Men work better when their future is assured than when they are beset with constant anxieties. Their work is also superior when their status in their firm or industry is such that they identify themselves with it, and when they not only share in its prosperity, but directly feel themselves sharing in it, because of the system by which their wages are regulated. Private incentives have hitherto been too exclusively exploited in production: it has yet to be realized that social motives can be cultivated for economic ends and harnessed to production. These considerations are purposely expressed vaguely to keep their application general, and for the further and sufficient reason that what is ultimately advisable, in the matter of the operative's status and the regulation of his wages, must vary from industry to industry, and has yet to be enunciated in precise terms after discussion in contact with the relevant facts.

In connection with the conceivable reconciliation of the demands of capital and labour, there is a point to refer to that is of the utmost importance to our present inquiries. It is that the accommodations needed for their harmony are impeded or stopped by the crystallization of the productive system in regulations and customs, which are, after all, only means to an end. The relations between employers and workmen had set so stiffly prior to the war that employers tended to assume them in their mental speculations without realizing that they were begging any questions at issue. Works organization had gone so long by rule that only the most imaginative could struggle out of the accustomed grooves. Similarly the arrangements made in the interests of the workpeople, maybe after severe conflict, had almost acquired the sanctity of "rights" defining the operatives' property in the trade. Their observance to the letter was frequently expected, however obsolete and unsuited to new conditions they might be; and even when workpeople took a broader view, they were afraid to admit a breach lest all existing defences might go and nothing take their place. Few conceived of the possibility of getting better results eventually as a result of modification. All this will come out of the furnace of war vastly changed. Many an employer has had to suffer some control and to abide by terms of employment and wages to which he would not have consented as a free agent; and the working classes have already had some experience of working without the rules and regulations by which their interests were, or were supposed to be, safeguarded. To the widespread consent to the temporary abeyances of these provisions which the majority of the working classes patriotically but apprehensively yielded, the success of the country has been largely due.

Now, in order that there may be no excuse for misunderstanding, let the obvious thing be said at once, namely that all the undertakings entered into to restore these restrictions must be met fully and absolutely, without covert curtailment, and in the most liberal spirit whenever the demand for their restoration is made. The State could not countenance, and no patriot could suggest for a moment, repudiation, however trifling, or even suspicion of repudiation, of the contracts that were made or implied. This is obvious; but, nevertheless, the departure from rule for the duration of the war brings a new hope of social and industrial progress in the near future. For, though it is the workpeople's undoubted right to have reimposed the old trade union safeguards, it by no means follows that they will universally desire their restoration or continuance in their old form. They will not if it is demonstrably not in their interests ; and there must be numerous cases in which it will not be, and numerous other cases in which greater advantages could be offered alternatively.

In this connection, there are three points to bear in mind. In the first place, experiments have been tried which labour would otherwise have been afraid of risking, and there are said to be instances in which an all-round benefit would have resulted in any circumstances. In the second place, the world will be very different after the war. The supply of adult males will have been reduced by casualties ; and it seems highly probable that numbers will emigrate to the Colonies who would not otherwise have done so. After the kind of life lived in camp many will be attracted to colonial conditions, with which they will have come in contact indirectly through their association with colonials. Moreover, the colonial demand for labour will be more urgent than the Mother Country's, seeing that the scantier a population the more severely is a given percentage loss of people felt. In many industries, therefore, we should be prepared to discover without surprise that the displacement of the emergency labour to any large extent would act detrimentally on the employment and earning both of the men returning and of those whose labour has been diluted ; and in any event, it is unlikely that the arrangements best for the operatives under the old conditions will remain best under the new. In the third place it may be found that, though a small section of labour would gain from the restoration of certain rules, other sections would so lose that there would be a substantial balance of loss. In these cases, as experiments have been started and there is a good chance that people will be in the mood to try new schemes, it would be worth while considering whether some compensation for the labour in question could not be so devised that everybody would be left a gainer. Given a minimum of obstacles to improved organization, greater productivity might soon make up for the material losses of all classes due to the war. On all hands one hears that a larger output per head is possible, even without an increase of effort. As path-breaking is already far advanced, there is no initial inertia to overcome ; and it is certain that, after what has occurred, industrial organizers will be prepared to contemplate arrangements with the operatives, the mere thought of which in ordinary times would have caused them profound uneasiness. It looks as if the post-bellum period would offer a great opportunity to the wage-earning classes ; and being in the strong position of having something to bargain with, they can speculate without any appreciable risk.

But the situation will not be an easy one to deal with. The old paths of peace will be no longer where they were ; nor will they be immediately attainable. There will be a jungle of difficulties to get through first, and antecedent to this the demobilization of the Army and remobilization of industry. A few words must be said of what confronts us, for what exactly should be done in connection with the labour question is closely dependent on what may be expected as regards the state of trade and supplies of labour on the termination of hostilities. Four periods, which successively overlap, may be distinguished in events after the war : first, the demobilization and transition period ; secondly, the period of recovery from the destruction and deferment of production and consumption occasioned by the war ; thirdly, the period of reaction, if any ; and, fourthly, the long-drawn-out period of new normal conditions. Much depends upon the spaces of time filled by the first three periods, which will not be the same in all industries, though at certain points a general state of depression or briskness might be induced by the synchronizing of a number of large influences ; and equally, as regards the character of the periods, much depends upon the rapidity with which suitable re-accommodations of productive forces can be effected.

Now it is vital to the country's economic future that, when demobilization is taking place and we are equipping and reorganizing ourselves to meet civilian requirements more fully again, no unnecessary impediments should be allowed to hamper our movements. The task of immediate reconstruction will be sufficiently complex and onerous to tax our powers to the utmost, and in connection with it the gravest financial and other questions may arise. Moreover, our future will largely depend upon our quickness. The neutral competitor will have had a start and will have to be caught up. And pretty much the same may be said of the second period when the destruction wrought by war is being repaired. Every day wasted during the course of restoration work means another loss on the top of the heavy losses still to be made good. Probably throughout this time we shall feel a pressure of demand for labour not unlike the war demand. The question, then, as to the time when settlement of the labour problem can be most appropriately sought is one of the deepest concern ; and of no little importance is the allied question as to the method of settlement, assuming it to be agreed among the operatives that negotiations with a view to new arrangements promise the brightest future.

This second question brings up for consideration the functions of the State. It has been argued previously that the State will have been rendered an interested party in the labour problem in a much fuller sense than it was before the war. But State domination is neither necessary nor desirable, nor even possible. The Prussianizing of industrial functioning would prove disastrous if it could be carried out in England, and it could not. It would be galling to the Englishman and destructive of the spirit that has made for our industrial greatness. Compulsion will be largely out of place ; but Government will have to be entrusted with an extraordinarily responsible and difficult office. It will probably be incumbent on the State to organize, maintain and guide the multitudinous negotiations through which alone satisfactory solutions can be reached ; and it alone can bring uniformity into any emergency arrangements, and keep the numerous discussions that must take place in touch with each other, so that the several agreements arrived at may give promise of enduring by fitting into an harmonious whole. Men of the diplomatic order, and others with the right insight and knowledge, will be the chief requirements ; for if the opportunities of the future are here read aright, difficult as is the task of the industrial conciliator ordinarily, the new tasks will be far more difficult, seeing that the range of debatable subjects will be far wider. Moreover, the task will be the harder so far as it is agreed by labour and capital that the economic system, which has been forced by the strain of war to make itself plastic, should be prevented from hardening again into rigid forms, if possible. Its habit has hitherto been that of the lobster—to grow a shell, discard it when it becomes unbearably tight and then grow another. The ideal to aim at is continuous plasticity under working agreements which can be modified as need arises, seeing that schemes suited to all the features of an unforeseen future cannot possibly be devised.

This sketch, fugitive though it is, of the State's hand in the remoulding of the productive system, will be sufficient to indicate that for the final settlement of human industrial relationships, in a way that is acceptable to all parties concerned, a somewhat lengthy period will be required. It would, therefore, seem essential to enter into provisional agreements, without prejudice to the form of the final settlement, to enable industry to carry on meanwhile. This is the more necessary in view of the fact that the war will have so changed our markets and needs that all relevant facts will not be known till some time after the termination of hostilities. A hurried design, sketched when the future of demand was unknown and the available supplies of capital and labour were unknown—for who can say what emigration will be or how many women will desire to remain wage-earning?—could never fit the circumstances and would probably lead to regrettable reactions.

Consequently we may assume the need of provisional arrangements. In the framing of these a State department will undoubtedly have to take a prominent part, for reasons similar to those urged with reference to ultimate arrangements. Again, for the sake of insuring immediate response to sudden post-war needs, these arrangements will have to be made without delay. One awkward factor to allow for will be price variations. Prices will be affected almost at once, and they have a bearing both on the purchasing-power of wages and the money wages that can be paid. The question of wages, in view of price variations, will probably be the most troublesome, and as prices will not keep constant after once changing the disturbance will continue. To meet this difficulty, some simple plan, to be acted upon unless there were obvious reasons to the contrary, might be devised and accepted ; and a simple uniform plan would have the merit of preventing jealousy as between one class of labour and another with reference to earnings. The obvious course is to provide for some slide of wages with an agreed index of prices for a period. But there remains the question of the starting wage. In view of the need of haste, one or two alternative pivots for wages might be selected for the least exceptional cases. Something in the neighbourhood of the present wage would probably be the most acceptable pivot, and another possible one is the pre-war wage raised by an agreed percentage based on the rise in the cost of living. In special cases a new basis might have to be adopted. But whatever the starting amount, if prices declined at the rate that seems likely there would have to be some corresponding descent in money wages.

As regards emergency action, the vital thing is to avoid delay and cessation of work. More depends upon this than many may realize in the first few months of peace. And with reference to permanent resettlement, it is essential to avoid haste and discard prejudice. A great opportunity that may never recur is before us of so harmonizing conflicting interests that class antagonism is transformed into a class alliance to make good the war losses that can be repaired, and continue unchecked along the path leading to greater prosperity.

CHAPTER IX

The Relations between Capital and Labour

I. THE STANDPOINT OF LABOUR

By G. H. ROBERTS, M.P.

WHEN the hideous calamities of war have passed and peace reigns again, the varied and complex group of questions constituting the Labour problem will become more insistent than ever. In pre-war days employers and employed were drifting rapidly into a state of mutual suspicion and ill-concealed antagonism. Then the protestations of friendliness on the part of Germany had lulled the nation into a sense of false security. When in August 1914 the naked evil stood revealed to all who could and would see, all classes cast aside the differences which had hitherto separated them, and a united people sprang to agreement and determination to defeat the foe whose aggressive purposes and moral turpitude had let loose the hell-hounds of death and destruction.

With the exception of slight and occasional ripplings of discord this splendid unity has survived, and made easier the task of adjusting national resources to the pursuit and attainment of victory. Had it been otherwise, disaster would have inevitably ensued and the horrors of war have been bitterly aggravated. What a tower of strength was dedicated to the State in Labour's spontaneous outburst of patriotism and ready willingness to serve! Millions of men laid on the national altar the proceeds of generations of strivings and sacrifices, making but the simple and justifiable reservation that the things thus rendered to their country should be restored unimpaired to them when danger had passed, for these were the means they had fashioned at tremendous cost and trouble with which to win betterment for themselves and theirs. Without internal unity the prosecution of the war would have been hampered and hindered, and more brave men would have died and more treasure been expended. Heavy indeed are our losses under both heads, yet it is good to know that in days to come the conscience of Labour will be free of bloodguiltiness, inasmuch as its conduct did not add to those losses. None, therefore, will deny that national cohesion has proved incalculably advantageous during the war.

Equally, I submit, will it be desirable in the period ensuing on the establishment of peace. The absence of industrial conflict will facilitate the readjustment of businesses from war to civil standards, and the measures of reconstruction and development necessary for a speedy recovery and future safety and prosperity. Some predict that cruel and widespread class warfare will be precipitated when cannons cease to vomit and trenches are emptied. Surely every good citizen will be anxious to avert this dread possibility. Having seen the son of the well-to-do and the son of the labourer watching and fighting together in order that their country may remain great and its people free, I cannot think they will soon forget the comradeship that inspired them to common endeavour and sacrifice in withstanding the foe, nor that they will sanction lightly the resumption of industrial hostilities, but will elect to resort to the arbitrament of reason and justice. The supreme social service that could be rendered would be for parties and classes to sustain the closer co-operation which prevails during the war in the trying days of early peace. I am told this is too much to hope for. Assuredly, however, most will desire that the better spirit should survive, and will do their utmost to foster it.

It must not be overlooked that the concessions made by Trade Unions are for the period of the war only. They would not have been conceded to private interests, but have been yielded willingly to uphold the integrity of the State, on the clear understanding that they are part of Labour's contribution towards the attainment of victory, and are to be restored in their entirety when that purpose is achieved. This constitutes a contract between the State and the Trade Unions, the terms of which are implemented in the Munitions of War Act. This Act provides for the complete restoration after the war of any change effected in

Trade Union rules, regulations, and customs under this contract. That this undertaking will be honoured is not seriously questioned. Maybe some friction will occur, but if the workers stand firm to their respective organizations they will, with the support of Parliament, revert approximately to the conditions prevalent at the outbreak of war.

Nevertheless, experiences gained through changes made during the war will not be effaced. The extensive admission of semi-skilled and female labour into regions hitherto the exclusive preserve of skilled artisans will have shown employers that processes once confined to highly skilled workers can be performed by less skilled. So it may be expected that the status of classes of labour will be readjusted in the light of this experience. But no such change must be made arbitrarily. Any endeavour to depreciate pre-war conditions will provoke trouble. Unless this aspect of the matter is handled with care and sympathy, irritation and probably strikes will ensue. An ugly spirit will be engendered if employers give cause for the belief that they seek to exploit for individual ends the magnificent patriotism of the working classes. Terrible will be the anger of those hundreds of thousands of trade unionists who have been among the most valiant defenders of the Allied cause if they return to find that while fighting to keep intact their country their industrial rights and privileges have been filched. Therefore it is imperative that the restitution of Trade Union concessions be as honourably effected as they were readily surrendered. Given this, any changes experience has proved desirable to make permanent may be negotiated without prejudice in an atmosphere of mutual goodwill.

No thoughtful person maintains that methods shall be stereotyped for all time. Finality in the means of wealth production should never be contemplated. Persistent experiment and improvement are essential in this as in other realms. In the future, more than in the past, the standard of nations will be determined by the efficiency of labour and the fairness with which wealth is distributed among its producers. Though we have prided ourselves on the high quality of British labour and business methods, yet the war has revealed startling deficiencies, and disclosed the fact that the potentialities of wealth production are enormously greater than hitherto dreamed of, and that by proper organization and the smooth working of industrial forces productivity is capable of extensive expansion.

The fundamental factor in the content of labour is wages forthcoming in sufficiency and with unfailing regularity. Among all classes an adequate and regular income is regarded as the first essential of life. Nothing is so demoralizing to the worker as low and uncertain wages. The breadwinner who is the victim of haphazard methods of industrial organization and is subject to periods of enforced idleness becomes moody and resentful when his wife and children suffer deprivation, and when debts are incurred, the discharge of which lowers the subsistence standard, or remains as a burden gradually dragging down him and his to the lower strata of society. Moreover, many a man whose habits are exemplary when employment is good slips unconsciously into a deteriorated state when work and wages are intermittent, and he is driven to despair of maintaining a decent standard of livelihood. Thereby is also created a condition of mind reflecting class hatred, especially when evidences of plenty, luxury, and extravagant expenditure are flaunted before and about him.

Despite extraordinarily increased and increasing wealth, large masses of our working population are yet denied anything approximating to a guaranteed living wage. This is one of the ugliest blots on our social system, as well as the most fruitful cause of industrial unrest. Solve this and the number of trade disputes will diminish. With its solution, too, will decline the terrible evils of squalid homes, ill-fed children, excessive drinking, and all those ills of poverty origin which disfigure civilization. Some groups of highly skilled and well-organized workers have made substantial progress in this direction. Generally speaking, however, the majority of workers possess no assurance of a living wage when in work, let alone protection against trade fluctuations. Thus the most urgent phase of the Labour problem is a guarantee to every willing worker of such a wage as will keep himself and his in a state of decency and comfort.

At this point it is desirable to acquire a clear conception of what constitutes a living wage. A weekly wage that but suffices for the weekly need is not a living wage. To arrive at a just and equitable standard account must be taken of the whole working life and the years of retirement that remain. By this test a fair wage will be such as provides adequately for the immediate need, and leaves a margin out of which by savings, insurance, etc., every worker and his family shall be made secure against unemployment, sickness, and the other adversities which beset them throughout life. In the event of the State establishing the right of every worker to wages based on this principle, it will be entitled to require that provision be made for non-working periods. Already the State compels employed persons to insure against sickness, incapacity, and in certain selected trades against unemployment. This system might be extended so that all workers are insured for a minimum weekly allowance when wages cannot be earned, leaving to the thrifty the ability to make additional provision as desired. Maybe this proposal will be construed by some as a further interference with individual liberty. Yet assuredly it is to the common good that when sufficiency is placed within the reach of all, none shall dispose of their substance so as to become dependent on their fellows. Though knowledge of my class allows me to state that the careless and reckless are a diminishing quantity, yet they exist in numbers that might prejudice the commonweal unless the State adopts safeguards as here foreshadowed. Thereunder the indifferent would be compelled to do what the better types undertake voluntarily.

Some advance by the State has been made towards the fixation of fair wages, notably in the Trade Boards Act, the Fair Wages Clause that is inserted in all Government contracts, and during the war by the Minister of Munitions in State factories and controlled establishments. These measures have laid the foundations of a system, which, supplemental to the operations of trade unionism, is capable and easy of development till an ample and regular income is assured to every working-class family in the land. In my opinion, it should be made a misdemeanour for any person to take another into employment unless able and willing to pay him a living wage. An industry that fails to accord this is parasitic in character. Underpaid workers have sooner or later to resort to charity, the Poor Law, or other adventitious aids to help make up the deficiency. Should there be any industry that cannot bear labour charges on the scale indicated, which it is desirable to preserve, it is preferable that it should be State-aided openly and directly.

Politicians and leaders of every class and school of thought acknowledge that the war has wrought such a social upheaval that depressed labour conditions cannot be tolerated in post-war times. Our gallant defenders have earned the right to a fair and secure stake in the country. Furthermore, it is believed that the occasion will have impressed them with a sense of their worth, and inspired them with a determination to make their native land a fitting abode for all its people—a place in which every one has a chance of full development. How much better will it be if the spirit of unity animating all classes in the course of the war incline all towards co-operation in this task of regeneration, rather than that ex-service men should be compelled to wage acrimonious struggle for the right to live in a manner human justice demands, after they have vanquished for all of us the foes of human liberty and world-peace.

Particularly desirable is co-operation between the employing and employed classes. Aloofness and misunderstanding between these important sections are a potent contributory to industrial inefficiency. Unless a closer degree of partnership can be effected, the future of industry will be extremely turbulent. Some employers are too prone to regard an approach from their workpeople as an impudent interference with their business. "We intend to run our business in our own way" represents the attitude of this type. But these employers must learn that the way they run their business is a matter also of social concern, and that they cannot regard labour as they do inanimate things. Every one they employ is a human being, instinct with feeling and need, aspiration and possibility, like themselves. Gladly does one observe the growing disposition to have recourse to conciliation and arbitration in the settlement of disputed questions. Yet that is not sufficient: the highest interests of industry are of as much concern to employed as employer, and they should be invited to consultation as to the means of furthering those interests. It is invariably found that workers respond to fair and considerate treatment. By taking them into greater confidence, either directly or through their accredited representatives, they will become more interested and efficient workers, and more dignified and responsible citizens. By the establishment in every works of a committee, consisting of the directors and managers, together with a corresponding number of workers elected by their fellows, and holding regular meetings, many valuable suggestions would be forthcoming, causes of friction dispelled, and improved understanding ensue, to the mutual advantage of the parties concerned.

No student of our industrial system will claim that unfettered private enterprise has been completely successful. Rule-of-thumb methods are still too prevalent, scientific organization and the most modern mechanical appliances are not fully utilized. Land has gone out of cultivation, and vital industries have languished to the detriment of the State. Labour conditions are chaotic and bristling with injustices and anomalies. Employers must now recognize that in engaging labour they inferentially assume responsibility for its wellbeing. If they exhibit lack of ability or unwillingness to co-ordinate satisfactorily the interests of capital and labour, the State must intervene for that purpose.

Whilst directing attention to the shortcomings of the employing classes, enlightened labour opinion does not claim that the workers are without fault. Yet this much may be said in extenuation on their behalf: the lesser power for good or ill has rested with them, hence their responsibility is the lesser. Mr. Hartley Withers, lately Financial Adviser to the Treasury, in a recently published book, entitled "International Finance," states that a régime of specialization "has brought to the majority a life of mechanical and monotonous toil, with little or none of the pride in a job well done, such as was enjoyed by the savage when he made his bow or caught his fish." Having regard to the uninteresting and changeless occupations referred to, it is not surprising that many sink into a state of perfunctory performance of the daily round, and an habitual yearning for the close of the working day. Moreover, many have experienced the fact that the use of machinery has not lightened their labour, and that a fair share of the prosperity that flows from improved means of production is denied to them. Industrial history records not a few illustrations where the intenser application of skill and attention has brought little or no advantage to the worker. For a time he may have been encouraged by higher remuneration to test the possibilities of new machinery and methods. When these have been ascertained wage rates have been depressed to a point nearly related to older conditions. Such a policy stifles ambition, weakens individuality, and tends to that restricted production which is animated by conceptions of self-protection. The truth is that the relationship of employer and employed too often lacks an ethical basis. Where the quest of profit is pursued without due regard to the human factor, there the worker will either consciously or subconsciously adjust output in like spirit.

One of the great lessons of the war is that our industrial system is capable of almost indefinite expansion. Despite the withdrawal of over five millions of workers, changes have been wrought speedily and yet so effectively as to maintain production at an even higher level than prevailed in pre-war times. These changes have been concerned mainly with the reorganization of methods on more scientific lines, the relaxation of trade union rules and practices, and a widespread employment of female labour. While the first-named will endure and be further developed, it is not desirable that the other two changes should be perpetuated as they have existed during the war. Excessive hours and too-intensified application over prolonged periods inevitably ensue in physical and mental tension and breakdown. Rest and recreation are as essential as technical knowledge to efficient labour.

Inspired by a fine patriotism, many women have undertaken tasks which considerations of race future and womanly quality decree should revert to the sterner sex when the national emergency has passed. Nevertheless, there is little doubt that the war has facilitated the entry of women into wider spheres of industry. Thus the question of female labour is likely to cause anxious consideration. Many Trade Unions have hitherto resisted the incursion of women into the domain they seek to control. This attitude has not been based so much on a sex objection as on the fact that women have frequently been used to lower prevalent rates of wages. Given an acceptance of the principle of equal pay for equal work, regardless of sex, this trouble would disappear.

The importance of regulating the hours of labour is revealed by the investigations of the Committee on the Health of Munition Workers. The Committee, which included eminent doctors, officials, and representatives of labour, was set up in 1915 to inquire into all questions affecting the health of munition workers. In the urgent crisis of the need for shells the policy was pursued of lengthening the hours of work, of establishing a seven-day working week, of abolishing holidays and periods of relaxation, and of speeding up workers to their maximum pace and endurance. This policy soon proved wasteful and dangerous. The Committee point out that the country was involved in the "extravagance of paying for work done during incapacity from fatigue just because so many hours are spent upon it, and the further extravagance of urging armies of workmen towards relative incapacity by neglect of physiological law." The net result was to limit output and to impair the health of the worker, who was working longer hours and turning out fewer shells. From the report of this Committee will be gathered the fact that a proper regard for physiological law is essential to industrial efficiency.

These conditions show that the main lines of progress lay in the use of the most perfect machinery, the scientific organization of methods, and, perhaps most important of all, the individual efficiency of the worker. Under war stress the status of groups of labour has been readjusted—semi-skilled have been raised to that of the skilled and unskilled to that of the semi-skilled, etc. Admitting that it is uneconomic to retain men of great skill and capacity at minor operations, the foregoing should make for industrial progress. When industry is properly ordered so that workers are regularly employed according to their respective capacities, efficiency and expanding output will result from every worker being able to visualize a career in which increasing skill and honest endeavour are accompanied by proportionate rewards.

It is not uncommon for employers to protest against the establishment of standard wages and conditions of employment because there are inefficients in industry. Whilst the facts are often greatly exaggerated there is substance in them, though the implication that Trade Unions are concerned to uphold inefficiency is without foundation. It must be remembered that workers combine together in an endeavour to improve and to regulate the conditions of their industrial life. To achieve their purposes it is necessary to safeguard against disrupting their memberships, to the detriment of general standards, because the capacity of a few is below the average. Minimum wages are invariably fixed with a regard to the average worker in a trade. Employers are not compelled to engage inefficients, and as a margin of labour usually exists in industry they are able to exercise considerable discrimination in selecting their staffs.

Even in submitting the foregoing I am vividly conscious that the standards of efficiency of both employers and workpeople leave much to be desired. Indeed, it is patent that because of this our industrial supremacy is seriously challenged by other great industrial nations, notably America and Germany. Therefore, unless we speedily enhance the efficiency of our industrial classes so that output is stimulated, recuperation from the effects of the war will be tardy, and the nation will be hurled from its financial, commercial, and industrial eminence by those countries which are zealously experimenting in and rapidly solving the problem. Research proves that the problem is complex in character. Only the superficial mind attributes it entirely to any single cause, such as the wantonness of Trade Unions or the shortcomings of employers. The nation as a whole must share responsibility and search out causes deep down at the very roots of society.

First, our educational system requires to be overhauled. Short-sighted persons give too little heed to the school age, and seem anxious to shorten it and to thrust children to toil as early as possible. Yet a sound elementary education is essential to all-round efficiency. It is the base on which must rest the whole superstructure of perfected industry, and unless laid firm and secure will fail to withstand the strain and stress to which international competition will subject it. During the latter stages of the school period the aptitudes of the child should be watched and noted. If directed to an industrial career it should pass to the technical college, the curriculum of which is shaped with a due regard to that form of industry for which it appears the child is best adapted. When the factory or workshop is entered, regular attendance at the technical college should form part of the period of apprenticeship or training. Thus will be acquired a knowledge of the relation of a single process to the completed whole. What is so deadening to character as to place a lad in a works at an operation which may be performed throughout the working life without his ever really understanding the relationship of distinct processes to a complicated product? Wherever practicable, too, he should be transferred periodically from one operation to another.

Hitherto the recruitment of industries has been very haphazard. Such a system as outlined is necessary to insure the higher efficiency to be aimed at. It should be observed that it involves a closer correlation of the conditions of school life and the period of industrial training. Too often a lad enters a works for the simple reason that it is near to his home, and without the slightest regard to his individual capacity. This is a fruitful cause of inefficiency, and accounts very often for the fact that a man who might have made a competent engineer is an indifferent clerk, or that he is a casual labourer instead of a skilled artisan. A well-furnished mind engaged at appropriate work, where the spirit of craftsmanship is fostered, makes for a greater and higher quality of output. When the problem is viewed broadly it becomes clear that the doctrine of *laissez-faire* must be interred beyond the possibility of resurrection. In future all classes in the State must combine to promote the nation's industries with a view to individual wellbeing and greater national self-dependency, security, and strength. Given a wiser direction of the worker to the class of labour for which he is best adapted, together with the establishment of universal wage standards of the character before stated, with rising grades of remuneration for those of superior skill and industriousness, it may be confidently anticipated that production will be stimulated enormously.

That the elevation of labour is dependent on flourishing industry is self-evident. Regularity of employment and high wages are only assured by good and stable trade. Undeniably even under existing conditions all-round improvement in social standards would be effected by a juster distribution of wealth. The colossal expenditure on the war has, however, diminished the possibilities in this direction. Hence if war wastage is to be rapidly repaired, and the satisfaction of labour pursued, wealth production must be augmented. This problem presents peculiar difficulties in an old and settled country like Great Britain, where the resources of land, minerals, etc., are already in course of exploitation. Here progress must rest particularly on the application of intensive methods, such as the utilization of the most perfect mechanical equipment, the most scientific organization, and the most efficient labour. Our great industrial rivals are attending to these principles of industry, besides which they possess the advantage of unexploited natural resources. Thus for us a general increase of output becomes a matter of extreme urgency. If not secured, we shall soon be outstripped by competitors whose keenness and thoroughness ever becomes more clearly manifest.

Output, then, being the outstanding factor, national welfare demands the harmonious co-operation of all parties for this purpose. As output expands, the greater the wealth created and divisible. Hitherto the workers have not seen this very clearly, mainly because they have been denied the sense and advantage of partnership. Labour must be given the certainty of reaping extra reward for extra skill and effort, otherwise the additional exertion will naturally not be made and the needed results will not be forthcoming. In the past workers have been haunted with the fear that expansive output would result in glutted markets and unemployment. The occasion is favourable for removing this dread. Terrible warfare will have reduced the nation's man-power, and the necessity to readjust the balance of our financial relations to other countries will render it desirable to reduce the excess of imports over exports. These conditions, coupled with an equitable diffusion of national wealth whereby the demand for and the consumption of commodities will be stimulated, will tend to steady both trade and employment.

Whilst it does not seem possible to so order a complex industrial system as to secure absolute immunity for every worker against periods of under-employment or unemployment, yet much may be done by foresight and organization to compass this evil. Cyclical fluctuations of trade and seasonal variations of employment can be anticipated, and the dislocations caused thereby can be ameliorated. Elsewhere I have submitted insurance against these periods as a palliative. But this will do little to steady trade and employment unless measures are adopted for preventing all possibly preventible displacement of labour. Recently, owing to shortage of labour, the chaotic struggle at docks, etc., has been grappled with, inasmuch as that it is found possible to dovetail jobs and give greater regularity of employment to this group of workers. This policy is capable of extension. National and local authorities, too, may by arranging the placing of contracts to correspond with periods of trade depression also contribute to the regularization of trade and employment. True, the placing of such contracts may not directly absorb labour unemployed at the time. Yet trade stimulated among groups of workers reacts beneficially on the mass, and when applied widely and systematically will greatly ease recurrent industrial depressions.

Just as State supervision is necessary to the harmonious co-ordination of the interests of capital and labour, so State action is essential to the organization and regularization of employment. In this connection it is gratifying to have Government recognition of the importance of this, as evidenced in the creation of a Ministry of Labour and the development of the Board of Trade more in accord with a Ministry of Commerce. The function of the former is to deal with matters affecting labour conditions; while the latter will watch and cultivate both home and foreign markets. With a co-ordinated policy these two departments are destined to play an important part in the promotion of trade and the well-being of the working-classes.

As industrial and commercial power will abide with the nations who erect their economic structure on the soundest principles, it behoves our industrial classes to early bestir themselves. No people excel and few equal the Britisher when terms are anything like equal. In this country organizing and administrative talent is plentiful; while with considerate treatment our workpeople can prove themselves among the most efficient in the world. Their cordial co-operation can be won and their confidence gained if such treatment is given to them. Place them in possession of knowledge of the actual conditions of business and management; make them feel that they are an integral part of industry by disclosing to them the necessity for and results of joint effort, and above all prove that when doing their best the greatest possible return is made to them. When each side understands the point of view and difficulties of the other a great step forward will be taken towards that harmonious co-ordination which is essential to the development and prosperity of British industry. Such a policy, combined with the application of science, invention, and enterprise, will produce that efficiency of production which will keep the country in the forefront of nations.

If a better spirit in industry is to prevail, employers must abandon mistrust of and hostility to Trade Unions.

In fact, workers should be encouraged to unite for mutual purposes. On the other hand, employers should organize for the regulation of conditions common to the trade. Experience shows already that in those industries where employers and employed are well organized, and where the two sides meet readily in conference, there conditions are more settled and agreeable. These are signs pointing in the right direction, revealing the fact, as expressed by Professor Ashley, that "society is feeling the way with painful steps towards a corporate organization of industry on the side alike of employer and employed: to be, then, more harmoniously, let us hope, associated together, with the State alert and intelligent in the background to protect the interests of the community."

With this corporate organization agreements as to wages, hours, and general conditions will be negotiated and become operative generally without the intervention of the State. Nevertheless, both sides may suffer and industrial peace be disturbed because some remain outside the respective organizations and refuse to be bound by an agreement to which they are not individually parties. The disastrous strike in the London Docks in 1912 was attributable primarily to the default of certain employers in this respect. In the interests of industrial peace this must be guarded against. In June 1912 the Government referred to the Industrial Council, a body consisting of twelve representatives of Trade Unions and twelve employers, presided over by Sir George Askwith, the Chief Industrial Commissioner, the two following questions: (*a*) What is the best method of securing the due fulfilment of industrial agreements? and (*b*) How far, and in what manner, industrial agreements which are made between bodies of employers and of workmen should be enforced throughout a particular trade or district?

The evidence taken showed that, notwithstanding the difficulties inherent in dealing with large numbers of workpeople, agreements in most cases are well kept. The success attending the operations of various voluntary boards of conciliation and arbitration was noted, and the desirability of maintaining this form of adjusting disputes was commended. The basis of these boards is mutual consent, and their value depends upon the loyal acceptance, on the part of both sides, of the decisions arrived at in accordance with the procedure of the boards. This acceptance is purely voluntary, depending solely upon a sense of moral obligation. Unanimity appears to have existed respecting the desirability of preserving the principle of collective bargaining. The report stated it was regarded as axiomatic that nothing should be done that would lead to the abandonment of a method of adjusting the relationships between employers and workpeople which has proved so mutually advantageous throughout most of the trades of the country.

Complete organization is, of course, the best means of securing the fulfilment of agreements. Where the associations of employers and workpeople include an overwhelming proportion of the persons engaged in a trade on both sides, breaches rarely occur, or if they do take place, generally occasion little difficulty, since they are dealt with by the prompt and efficient action of the Employers' Association or the Trade Union, as the case may be. But where organization is imperfect, agreements reached by such employers and workpeople as are organized are constantly imperilled owing to the inability of either side to take effective action against those whose fractiousness may kindle industrial conflict.

To meet these cases the details of a scheme were drawn up. This provided that where an industrial agreement has been arrived at between representatives of employers' associations and trade unions in a particular trade or district, it shall be competent for the parties to the agreement to apply (at any time during the currency of the agreement) to the Board of Trade to cause an inquiry to be held, by such authority as the Board of Trade may direct, to determine whether or not the agreement shall be extended and its terms made obligatory upon all persons concerned. Upon receipt of the application the Board of Trade shall arrange for an inquiry. If the authority thus appointed are satisfied, after holding the inquiry, that the associations represented by the signatories to the agreement constitute a substantial body of the employers and workpeople in the trade or district, and that the agreement is a proper agreement and one that may suitably be extended, the authority may declare that the agreement covers the whole trade or district. It then acquires legal sanction and becomes an implied term of any contract of service in the particular trade or district that the terms of the agreement are an essential part of such contract. The legalization of industrial agreements as suggested would eliminate one cause of strikes, and possesses the advantage of retaining unimpaired the voluntary character of employers' associations and trade unions.

In those instances where the organization of employers and workmen is weak or lacking, legislation must be resorted to in order to establish a living wage and regularized working hours. This might generally take the form of extending the principle of the Trade Boards Act to include all such cases. Agriculture affords a typical illustration. In most districts farm labourers have found it impossible to take part in building up a strong and lasting combination. This is due to low wages, the isolated conditions of rural life, and the comparative want of mobility in seeking other employment. Yet the pursuit of agriculture requires considerable training and the exercise of much skill. It is alleged that the cause of the failure of farm workers to obtain a living wage is to be found in the depressed state of agriculture. But this is only partially true, for where competitive industries exist higher wages have to be paid in order to retain labour. Whilst it is true that during the period of 1871-1906 agriculture was in anything but a satisfactory condition, it may fairly be urged that had farmers exhibited more cohesion and enterprise, and been animated by a greater concern for the welfare of the labourer, better wages might have prevailed. This is proved by the fact that some of the more enlightened of them have paid wages above the average, and still made farming profitable. During the past ten years, too, the prices of agricultural produce have risen, but the labourer has not shared adequately in the renewed prosperity. It is certain that the State cannot allow any section of workers to continue in receipt of uneconomic wages. Such industries as that of agriculture are essential to the nation, therefore must be brought under State supervision, so as to secure justice to the labourer and stability and prosperity to those industries. Here again progress has to be acknowledged. The Government having decided on a vigorous agricultural policy have incorporated a minimum wage of 25s. a week as an essential part of that policy. Not only will this advantage the rural population but it will react beneficially on the whole wage-earning classes.

To achieve and secure these purposes our industrial classes must possess an appreciation of great world facts, and the bearing of not only national but international economics on domestic problems. Owing to the neglect of agriculture and of pivotal industries the defensive power of the nation was weakened during the war. But for the fortunate fact that our magnificent Navy was mobilized at the outbreak of hostilities, and was able to blockade the enemy's fleet, it might well have happened that our people would have experienced scarcity and even want of necessities. As it is, new and sinister devices of maritime warfare have threatened the national life, and afforded glimpses of the terrors which would have befallen us had a number of enemy cruisers slipped away on piracy bent. Most people hope this war may end war, but it may not. Thus those responsible for national defence are bound to be guided by the lessons of this war, conscious that the destruction of ships and cargoes may be infinitely more devastating in the event of another such catastrophe. Lieut.-Colonel Sir Maurice Hankey, K.C.B., Secretary to the Committee of National Defence, stated in evidence before the Departmental Committee appointed to consider the settlement and employment on the land of discharged sailors and soldiers, that the weak point of this country in the matter of defence is its dependence upon imported supplies, and that while the cutting off, for a time, of the imports of raw materials for industries would be serious, the nation could tide over such a period provided it had adequate supplies of food.

In this connection, too, the large number of merchant vessels requisitioned for the conveyance to the several theatres of war of troops, stores, and munitions has created a shortage of ships available for overseas commerce. This shortage has allowed shipowners to levy extortionate freightage charges, which have contributed to swollen prices, whereby the poverty of the poor has been cruelly aggravated, and irritation and unrest been created even among the fully employed and better-paid groups of workers. Regrettable as is industrial disturbance during an unprecedented war, it must be remembered that when workers are exerting themselves to the uttermost over unusually long hours for the sake of their country, resentment is natural when it is found that the real values of hardly earned wages are whittled away by an unnecessarily enhanced cost of living. While most are willing to recognize that in war-time a rise in prices is perhaps unavoidable, indignation is justifiable when it is known that part at least of the burden is imposed by interests taking advantage of a national emergency for private ends.

One way of avoiding a recurrence of these evils is by increasing home-produced supplies. Whenever it is necessary to go into the world-markets, the prices there prevailing must be paid. During the war the needs of belligerent nations have been so imperative, that those holding supplies have controlled prices. According to Professor W. G. Adams, the increase in the cost of imported foodstuffs in 1915, as compared with 1913, amounted to no less than £85,000,000, although the actual quantity imported had not been increased at all. In the case of home-produced supplies public opinion and governmental action can influence prices, but are powerless in foreign markets. This helplessness is strictly proportionate to our need, inasmuch as that our great dependency on outside sources has been the main cause of inflated prices. At present we import four-fifths of the wheat and one-half of the meat we consume, as well as enormous supplies of cheese, butter, sugar, fruit, eggs, and other produce. The average value of such imports, excluding tropical products, but including sugar, consumed in the United Kingdom in the three years prior to the outbreak of war, 1911-13, exceeded £200,000,000 per annum. Much of these supplies could be produced at home, for our soil is among the most fertile in the world, and our climate not less favourable than that, say, of Denmark. By decreasing reliance on imported supplies greater control can be exercised over prices, and as the cost of living has a direct bearing on wages, it is a sound and economic policy to encourage and develop domestic production.

The foregoing emphasizes the necessity for Labour taking a broad view of industrial affairs, and of co-operating on national lines to make the country increasingly self-supporting. This policy will contribute to the steadying of trade and prices; will bring individual and social destinies under more effective control, and add to the strength and prosperity of the nation, for future well-being is indissolubly involved in the highest possible development of native land, capital, and labour. Foreign trade statistics regarded as an index of national prosperity are often misleading. If while figures reveal prodigious exports of cotton and woollen goods, boots, and other manufactures, masses of our own people are in need of, but unable to purchase, these goods, can it be truly said that the nation is prosperous? Similarly, when a huge volume of goods is imported, while labour and materials near at hand are not employed, can it be claimed that the nation pursues the wisest and most economic policy? To state these facts reveals a paradox. Our objective, then, should be the exploitation of all home resources, and the endowment of every family with a just share of the proceeds of industry, so that all may have a sufficiency of necessities and full participation in the amenities of life. A flourishing home market, created by the ability of all to purchase and consume goods, gives the greatest possible stability to trade and commerce. This does not mean the destruction of overseas trade. As the status of the working classes is raised physical and mental fitness develops, together with greater interest and contentment. These qualities constitute the basis of efficient labour and expanding output. Placed in conjunction with initiative, enterprise, and energy on the part of business men, production will assume dimensions sufficient for both home demands and a large foreign trade.

Realizing the waste and folly of idle lands, and the heavy penalties of allowing essential industries, such as aniline dyes, electrical machinery (particularly dynamos and magnetos), optical glasses, etc., to pass under foreign domination, the time is opportune for the survey and reform of our industrial system. Stern necessity has brought into existence a number of factories for the creation of munitions of war. Reflection on the speed and efficiency of their erection and equipment, in comparison with older methods, amply proves that when necessity dictates and the purpose is defined British brains can project and act as swiftly and scientifically as any. While these factories are furnishing weapons of war, should not their capacity for turning out the munitions of peace be considered? Agricultural and all kinds of machinery used in manufacturing industries will be in great demand after the war. By adapting these works to the need and stimulus of general industry the State has an exceptional opportunity of association in a great national trade revival. Careful planning will be necessary to rehabilitate the nation from the ravages of war; therefore we should prepare for peace as thoroughly as the enemy prepared for war.

It seems inevitable that wherever the question of future trade conditions is canvassed fiscal controversies should be aroused. These cannot be evaded. But it is desirable that principles of trade should be reviewed dispassionately and detached from past political struggles. Nearly every one believes that reversion to pre-war conditions cannot be exactly effected, and that this and many other questions have to be studied and adapted to changed circumstances. Yet without adhering slavishly to the past, it is unwise to rashly embrace grandiose proposals which may bring hurt and not benefit. The only safe course is to consider fiscal principles in the broadest sense, with a sole regard to the interests of the nation as a whole. Attempts on the part of interested groups to manœuvre Parliament into setting up tariffs or other expedients merely to facilitate private profiteering must be frustrated. Equally those who claim that the war makes no difference and that change should neither be considered or made must be resisted. In the life of nations as of individuals great crises emerge, calling for a thorough investigation into methods and practices. Unquestionably the present is a crisis in the history of British trade. Inefficiency and supineness had permitted German policy to worm itself quite into our economic vitals, to the extent of menacing the State. Considerations of safety and national integrity, let alone self-respect, require that this be changed at once and for all time. British trade, commerce, and finance must be brought under, and remain under, British control, and if fiscal change is necessary to insure it, then we should not shrink from making it.

Vital industries must be fully developed and kept from outside control. When war came no great country was less self-contained in the essentials of her existence. The State has now invested capital and undertaken to assist in promoting the manufacture of dyes. Surely it cannot tolerate the undermining of this venture from without. Until this industry has had a chance of full development the State is entitled to regulate imports accordingly. This might take the form of limiting imports to supplying any deficiency in national requirements. Again, an increased wheat production is desirable from the standpoint of national safety, and is fundamental to a revived agriculture. By the guarantee to farmers of a price for wheat and oats a departure from fiscal practice is accomplished, but which if successful will be beneficial nationally. A sugar-beet industry, too, would aid rural development, and give the nation a more complete control of supplies and prices. If the State embarked upon the manufacture of sugar either directly or in co-operation with others, its fiscal system would have to be adapted to promoting that home industry. Many working-class consumers are rightly suspicious lest fiscal change result in advancing the cost of living and depreciating the value of wages. But this is not inevitable. Take, for instance, the case of wheat. The State might constitute itself an exclusive importer, purchasing at world-prices and arranging its distribution. Moreover, in a properly graded income-tax and the excess profits-tax the State has additional devices for protecting the people from rapacious interests. These suggestions are neither concerned with orthodox Free Trade or Protection, being designed simply to show that modifications of our fiscal system may serve to open up avenues of trade and employment, and so contribute to the general good. Even so, the ultimate test of British industry will abide in the character and efficiency of our industrialists, and not in fiscal adjustments.

In writing this chapter I have sought to confine myself to the subject of the book, and to deal with realities rather than ideals: this, though, believing what is here set forth will help towards a better and purer state of society. Whilst strongly imbued with idealism, one must never forget the tremendous distance that divides what is and what ideals lead us to think should be. My immediate purpose is to endow all with what Gibbon described as the trinity of greatness: "A head to contrive, a heart to resolve, and a hand to execute." That achieved, they will be proved capable and worthy of sublimer things.

CHAPTER X

The Relations between Capital and Labour

II. *THE STANDPOINT OF CAPITAL*

By SIR BENJAMIN C. BROWNE [1]

I HAVE been asked by Mr. Dawson to deal with this question, and he told me at the same time that the same subject was being dealt with by Mr. G. H. Roberts, M.P., from the point of view of Labour. Mr. Roberts has kindly allowed me to see the draft of his paper, and I only hope that I may be able to deal with it from the capitalist's point of view as well and as clearly as he has dealt with it from that of the workmen. Substantially it appears to be, what has always been my view, that the interests of capital and labour are in the main identical; that they ought to unite to make their trade as strong and as prosperous as possible, and, having done that, the exact proportion in which the profits are to be divided between them is a comparatively small matter compared to that of making the total amount to be divided as large as possible. But before going into details I will touch on a few preliminary principles.

As I understand it, our object is to think how, firstly, to restore things to a prosperous and normal condition after the war is over; and, secondly, to consider whether we can take advantage of what we may call this great revolution in order to bring about an altogether better state of things. Of course, when we come to detail, a great deal must depend on the terms on which the war finishes, and how soon that event happens, and on these points we can at present say nothing ; but we have three points that we can consider :

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[1] The writer of this chapter, who will long be remembered not only as one of the pioneers of industry on the north-east coast of England, but as a warm friend of labour and an earnest worker in the cause of industrial peace, died on March 1st of the present year, while this book was in the press.—THE EDITOR.

(*a*) What was the position of capital and labour before the war?

(*b*) What is the position during the war?

(*c*) What will it be when the war is over?

There is no doubt that before the war the relations between capital and labour were most unsatisfactory—far more so than they are normally ; there seemed to be deep dissatisfaction on the part of most of the working classes that they were not getting such large incomes as they ought to get ; and this dissatisfaction was aggravated very much by the rise in prices which had been going on for some years. The general public seem to focus their ideas of improvement into the question of whether it is possible to get wages up to a substantially higher figure than what they were before the war, without, of course, throwing men out of work.

My own impression is that a very much improved state of things might be brought about if we and our workmen were to pull together instead of quarrelling. I should say that the state of feeling between capital and labour just before the war was pretty nearly as bad as it could be. There had been an enormous amount of restriction of output, and there was a very strong feeling of hostility between the two classes. This was not shown so much in the workshops, nor yet at the meetings of employers and workmen, as in the newspapers and in public life—especially in politics. Up to the end of the century I do not think this had been nearly so bad, but things changed for the worse rapidly after 1900, owing, I think, very much to the baleful influence of politics.

I find that we employers go to London, York, Manchester, Sheffield, or any other large town ; we there meet with the Trade Union leaders ; we have long talks and discussions, and, in the main, we get things thrashed out and settled on a fair and reasonable basis : but then there is probably no man in the room who has not had considerable practical experience of the inside of a workshop and of how to deal with the majority of these questions.

When the war came on what struck us all at once was the very serious difference between the cordial affection that existed between the officers and men in our armies in the field and the hostility that appeared to exist between capital and labour in the workshop at home: and yet, roughly speaking, the officers very much represent the class of men who are the employers at home. I believe that the way the officers and soldiers trust each other is based upon a thorough practical understanding of each other's merits, and that the hostility between capital and labour in the workshop is the bad thing that ought to be altered and put on the same footing as the loyalty that exists on the battlefield.

I believe myself that you can never get good work out of any body of men unless they like and trust their leaders. The workman ought to feel confident that his employer will pay him as much as he can and do all he can for his comfort; and, on the other hand, the employer ought to feel towards his workmen exactly as parents feel towards their children.

Personally, I should say that kindly feeling between capital and labour has been very much discouraged of recent years, especially by the interference of people who know nothing of the circumstances. It is so easy for some great philanthropist to get up and say that obviously the employers ought to give their men a larger share of the profits, but I find that hardly one of the many and great men, whether statesmen, University men, clergymen, or others, can really justify this apparent platitude if he is cross-examined. The question is, Where is the money to come from? If it can be shown that employers are making very large profits, then it is natural for the workmen to expect more money. Now, in the case of a gas or water company, where the amount of capital employed per workman is very large, a small sacrifice of profit on the part of capital may do something very handsome towards increasing the return on labour. Suppose you assume that in a certain business there is £1,000 of capital for every workman employed and that each workman gets £100 a year income; that is a very different state of affairs to where there is only £100 of capital per man employed, and sometimes a great deal less.

One very great change that has taken place in recent years is that there are a few firms that make very large returns upon their capital, and a very large number who make very small ones or none at all; and the latter are apt to die down very rapidly.

Now, before the war, engineering and shipbuilding were very busy, really owing to the fact that people who knew what was going on were very much expecting the war, and that the Admiralty and private owners were increasing their fleets very decidedly. But when we look at the case of profits what do we see? War was declared on August 4, *1914*, and I have before me a return published by *Fairplay* in August *1913*, one year before, which gives a list of sixteen really important shipbuilding and marine engine-building firms, and shows what they did. Now, in 1913 war was not generally looked upon as imminent, though no doubt people who studied the question carefully had a good deal of anxiety; but we find that out of sixteen companies in 1909-10 seven were paying nothing at all, and, speaking generally, those that did pay were not paying more than 5 per cent. average. If any one likes to take the trouble to go through the figures of the "Stock Exchange Year Book," which is a very easy thing to do, he will find that, on an average, the profits on engineering and shipbuilding works do not exceed this. If one works pays 10 per cent. and another pays nothing, the one that pays nothing probably becomes bankrupt: therefore, you have to consider not what is a sufficient average amount of pay for the trade as a whole, but what will become of the weak firms if the shareholders get no return on the capital. I should say that in 1913-14 some of the firms in engineering and shipbuilding were in a more or less serious state, while others were doing very well; but, then, you obviously cannot get those firms that are paying large dividends to subscribe to help those that are simply going down altogether, in which their men are thrown out of work, and therefore there is the danger of the workman losing a great deal if the profits are cut down too much; in fact, very often this is the reason of his being thrown out of work altogether.

When I came to Newcastle as an employer, in 1870, I had occasion to meet all the engineering employers of Newcastle and Gateshead. I have kept an account of the subsequent history of these businesses, and I find that two-thirds of them perished disastrously. I think of the twelve firms four still stand and prosper, but eight have closed, and they have neither been absorbed nor amalgamated.

Again, in 1870, the Admiralty bought all their important marine engines from four firms in London—Maudslay & Field, Penn Miller & Ravenhill, and Humphry & Tenant. Where are all these four firms now? Gone, and I am not aware that they even left any retired millionaires to represent their past work.

When the Great Western Railway Company bought up the Bristol and Exeter, South Devon, and Cornish Railways, it took to making all the machinery that those railways required at its own works at Swindon, and the consequence was that the works in that district which had lived on supplying those three railways also went out of existence. This is an example of how great the risks of the trade are, and why manufacturing, as an investment, is less and less popular.

Profit-sharing is often advocated by amateurs, but, off and on, through one firm and another, I and others have been constantly offering to give the men a share of the profits in different businesses, but they never seem the least keen about taking the offer; and I am inclined to think they are right. I think they would lose more by the complication than they would gain by the profit. In an average engine works there is £150 of capital, or thereabouts, per workman, and taking the average of mechanics, labourers, and apprentices, the average pay is about 30s. per week. Now, assuming that the works pay, one with another, 5 per cent., that means that the company gets £7 10s. per annum profit per man employed. But 30s. a week is £75 a year, so that capital gets, in the form of dividends, one-tenth part of what it pays in wages.

I think I have had as much to do with starting works as most people, and I always consider myself that if you can rely upon dividing an amount equal to one-tenth part of what you pay in wages that is just about what you can go on at: at that point you are neither making nor losing money. If you do better, well and good; but if you do worse you must look out for yourself very carefully. But what, of course, I should hope to see would be, if we could make a fair start and give the men a share in the profits, that the actual profits should be far larger than they are now, and then labour might really get more than it is doing at present.

I think it may also help our investigation if now I make a rough forecast of what seems likely to be the state of things when the war comes to an end, and, as far as we can guess, what is likely to be the future of trade, both immediately and (which is quite another thing) permanently, after the war.

I should say that the vicissitudes that followed on the Franco-German War and in other cases all show that where the employer was a man of real energy and adaptive spirit, and, above all, where he had a sufficient command of free capital and was not too much bound up with other people, he usually survived the storm and came out more prosperous than ever, many of his competitors having succumbed to the disastrous times. After the Franco-German War prices for coals and locomotive engines rose, but not instantly: it was a few months before the effect was actually felt, and it seems to me the key to the position was that ultimately nearly all the world's energy was put into repairing the damage done by the war, making up for all the work that had not been done and providing for the changed conditions.

I should think, after this war, the amount of work to be done in the way of replacement and renewal of not only railways but pretty nearly everything else will be enormous. Everybody has worn out everything he has got, and will want new and better things directly he can afford to pay for them. Of course, it is conceivable that things may go too far for this to be effective for some time. I remember at one time during the Franco-German War discussing with some Germans the effect that its wars had had on Germany: they nearly all insisted that hardly any History made enough of the sufferings which had been caused thereby, especially in the case of the Thirty Years' War; and this has been brought out very fully by Archbishop Trench: the annihilation—for we can call it nothing else—of civilization in many districts, and the utter ruin of enormous numbers of people, were things of which we earnestly hope we shall never see any signs again. But I can certainly remember Germans, who knew very well what they were talking about, saying to me that Germany had not got over the effect of the Thirty Years' War before the Napoleonic Wars came, and that Germany had not got over the effect of these when the Franco-German War came.

But, now, to apply this to our own case. If we can imagine the war ceasing within any reasonable time, one would fancy it would take a good time to disband all the armies, and that, if care is taken, a large majority of the people, men and women, should get back their work without so much difficulty as the public seem to fancy. When all is said and done, the world is enormously in arrears as to the supply of its wants, and there will be far fewer people to supply them than there would have been had trade been going on normally for the last three years.

I cannot help thinking that people exaggerate the talk of trade going to Germany. When you take the average number of unemployed in England, if we conceive them all set to work profitably, it would show something like the total extra amount of work that we could take in this country ; but the whole amount of extra work would be a mere flea-bite compared to the work that is turned out by countries like Germany, and though no doubt our Colonies will, by degrees, all be enormously developed, it must be remembered that they will develop as consumers quite as fast, if not faster, than they will develop as producers. There is no doubt our feeling at present is, and probably very properly is, very bitter indeed against Germany, but it is no use to say more than what is true ; and really I doubt if Germany, as a whole, has done very much more to injure our trade than other countries with which we have not, and must not have, any quarrel, such as Belgium and Switzerland. We all remember that for years Belgium had practically a monopoly of the steel girders that are so much used in building houses. Switzerland got a monopoly of clock work before any of us were born and has kept it firmly ever since—and no blame to her, as she has probably done the work better and cheaper than other people. It is easy to find certain Germans who have done dishonourable things and who have schemed and organized in a way that was not fair ; but may not the same be said sometimes of other countries? I believe we can find cases where English and German manufacturers have combined together to keep up prices artificially. It is commonly considered, I believe, that the price of ship-plates would have been raised artificially very much higher in this country had it not been that they were limited by the price at which Germans could deliver the same plates by sea.

Now, it will not do the working classes any good if we simply do work at home which might be done more cheaply abroad, doing perhaps less of it, if the surplus profits are all to go into the pockets of the manufacturer. And one can, in one's lifetime, think of numbers of cases where things which were the monopoly of some foreigner have been captured and taken over by the English. Of course, sometimes it is the reverse. The fact is that in these days of cheap carriage the question of where a thing is made is of comparatively small importance compared with what facilities there are for making it. I remember some years ago our getting our first lot of twist drills from America, and when we first got bandsaws for cutting iron and steel we got them from France; but very soon England could produce all these perfectly well, and as cheaply. When steel wheel centres for locomotives came in first we got them nearly all from Germany, but that was also a very transient state of things.

Of course, it is quite possible that after the war we cannot leave things to their natural development in the way we could have done had there been peace: it may be necessary to spend trouble and money to foster and create industries in some places; but that is quite a different thing from saying that the whole of our past policy was wrong. When all is said and done, I must say I like, as far as possible, to let every individual—whether a man or a company—develop his own trade in the best way that he can and leave other people to do the same. I have heard Sir Graham Berry, who is supposed to have been the greatest Protectionist Prime Minister in Victoria, speaking on the question of nursing up young trades in a new colony, and I quite felt that he made out as good a case as people do for feeding a baby in the sure hope that some day it will become a useful man or woman. But I well remember him saying: "I do not advocate Protection as a universal principle, but I say that Protection is the right policy for the Colony of Victoria to-day: whether it is the right policy for England now, or for Victoria to-morrow, is a point that I am not discussing." And there is no doubt that when the world is all out of joint, as it must be after a war like the present one, we may have to adopt, in certain cases, special measures which we should not be at all wise to look upon as permanent institutions.

There are other causes which I think have conduced, perhaps unintentionally, more than most people would think to the bad feeling to which we have referred. One of these is that, both among employers and the workmen, the Trade Unions and Employers' Associations have taken to interfering in detail more than is wise. I have always held, as regards employers (and exactly the same principle would apply to workmen's Trade Unions), that these bodies were formed for defence, and not for aggression, and to support the individual, not to tie his hands. For example, I always held that if an employer came to us and said, "My men insist that I should give them more wage than is usual in the trade, and more than I can afford," it would be for us, as an Association, to take up his case, to see the men, and give our member our support to whatever extent was just and fair; but, on the other hand, suppose an employer thought that it would pay him to turn out super-excellent machinery for which he required specially good labour and therefore he began to pay his men exceptionally high wages, I do not think his brother employers should interfere with him.

I remember when we first took up Admiralty work on the Tyne we had in a great many ways to improve our standards to something better than we were used to, and in picking our men we probably increased our average rate of wage; but nobody interfered with us, and I think that was quite right. If we made a success of it, other employers would copy us; if we made a failure and burnt our fingers, we had only ourselves to thank. Similarly, I do not agree that any one ought to interfere with the workman if he deliberately chooses to take an easy job at a low rate. If the workman goes to the Union and says his employer is pressing him to work at a lower wage than is fair, then by all means let the Union take the part of that member and support him and get him what is just and right: but, to take an obvious case, suppose the Amalgamated Engineers were getting 35s. a week; a man is offered a job as chauffeur to a doctor and he takes it at 35s. and nobody objects; but another man is offered a job as a chauffeur to an old lady, where the work is not half as hard and where he will get a great deal of time to himself, and if he, being either delicate or a lazy man, likes to take this job at a lower rate I do not think the Union ought to prevent him, because the services he is giving are worth a great deal less than the normal so the wage ought to be less, and he is not really tending in any way to bring down the wages of his fellow-men. When I was chairman of an Employers' Association my feeling always was to let an employer feel that he had our support in whatever was right and proper, but that he should ask for it ; and if neither he nor his men complained of the existing state of affairs I was always very slow in interfering with it merely because some third man, whether an employer or not, complained.

People often talk as if high wages mean dear labour : this is not in the least the case. A common statement that I have often made is that a navvy, who gets higher wages, can dig a hole cheaper and more quickly than an ordinary labourer who gets a lower rate of pay, and probably he is far less tired at the end of the work. Even where it is all a question of hand labour and no machine, the quantity of work done depends far more on the amount of brains that are brought to bear upon it than upon the actual muscular exertion of the men. In the same way, there is no necessary connection between long hours and a large output : the most economical time for a man to work is that at which he can keep himself going for an indefinitely long period without any deterioration in the quality of his work or any undue fatigue. In old times I remember in factories when the ordinary workman left work at six in the evening, the boiler-yard piece men left at five, but the chainmakers, whose work was supposed to be the hardest of all, left at four, it being supposed that by those times the men had done as much as was permanently prudent.

To take another point, when the war came on a different state of things was brought about to what had prevailed before. I believe there is a general feeling among workmen that employers, on account of the war, began to make enormous profits : I should think it very probable that in some cases they did so, but it is very hard indeed to say at present. After this war there must be a vast amount of machinery which has been put up for making munitions and which will never be wanted again ; and it may easily be a question whether the employers are able to cover the cost of this before it is superseded and useless.

It is much more difficult to point out any definite programme for capital than it is for labour, because its position is much more complicated. Labour only communicates with the customer, on the one hand, and with the people who supply the material, on the other, through the employer. The capitalist is expected to not only find the works and the money, but also to get the orders, buy the material; and, in fact, without him there would be no trade at all. This is not satisfactory, but it is so; and therefore, in legislating about him or his trade, we must bear it in mind.

I question if it really is practicable, or desirable, to legislate for the benefit of one complete class, such as employers, and to devise laws which will have a uniform effect on them all, large and small, rich and poor.

Suppose that for any purpose you want to bring a strong pressure to bear on a body of employers. At first they all suffer, but not equally; gradually some, and then more and more, are crushed out of existence. And now see how this works. Those that are poorest will be ruined; all their workmen will be thrown out of work and will have to seek employment at the gates of the employers who survive. The customers of those who are gone have also to seek to get their orders executed from these same survivors. So, while the poor employer is ruined, the rich employer gets more, and therefore cheaper, labour and more orders, and therefore higher prices.

Nothing enables a man to face the unexpected, or to survive long periods of trouble, like a long purse. The poor man is ruined; the rich man waits patiently and then emerges to face reduced competition. Drastic changes in the law, unexpected strikes, and all other sudden and violent measures have this effect, and whatever may be the intention of the ardent reformer, the practical effect of his action generally is to make rich men richer and poor men poorer.

The employers do not wish to be specially favoured, but recent legislation has most pointedly disregarded their interests, and, in doing so, has, I think, very seriously injured both the trade of the country and, above all, the interests of the working classes. The Workmen's Compensation Act was drawn so as to hit the small employer very hard: so were those mischievous laws encouraging strikes (and they benefited nobody); and there were many others.

I think the decline of the small employer is a national calamity. I do not think that those of us who have large works really suffer much from the bad legislation: it means that there are fewer of us, more customers and more workmen; and the customers and workmen cannot get at each other except through us. But I think that for the good of the country the small employer ought to be encouraged in every way: at present his burdens are greater than he can bear; his risk of being ruined has been enormously increased; and you can no more expect to have large employers without encouraging small ones than you can expect to have grown-up people if you let all the children die. And it cannot be much use to prohibit the importation of foreign manufactures unless you have Englishmen with leisure, ability, and capital ready to take up the work, and such men appear to be getting scarcer and scarcer. Probably Government employment ought to be increased in some directions, because the number of employers is becoming dangerously small for the good of the country. To study an economic question it is always wise just to consider how the principle would work in an extreme case. So let us suppose that in some industry there was only one employer, who had a monopoly: all the workpeople and all the customers would be at his mercy. But, one way or another, as long as the working classes live by wages, we must somehow keep up a sufficient supply of employers.

Now, having laid down the doctrine that the interests of the employers and workmen are identical and that employers are to be looked on as the officers of the industrial army, we must try and sketch out what would be an ideal state of things to attain to after the war.

I assume that full attention has been given to the energetic development of our Colonies, and also to considering the supply of those things for which, being necessary for our existence, we ought not to be wholly dependent on foreign countries.

When the war ceases, the first point will be to restore some millions of people to their permanent places in civil life. If the War Office will cordially co-operate with the employers and the Trade Unions, if we may begin to restore men to civil life as soon as possible, and if we are all willing to be a little patient towards the end of the process with the last batches, I do not think the task will be at all superhuman. All these men and women were living somehow before the war. There will be, alas!

fewer now, and besides the regular needs of the world there are enormous arrears of work to be made up. But in that, as in everything else, much depends on the cordial co-operation of employers and employed.

Then the two bodies ought to be organized, as most of them have been for some time, and they ought to meet together on a footing of absolute equality, and no stoppage ought to be allowed till every effort has been exhausted to make a friendly settlement. But legislation ought to be the last resource, and a very bad one. Settlements across a table are friendly, but a parliamentary fight means victory on one side and a defeat on the other, and bad blood on both. If we could all look on one another as members of the same family, we should avoid all quarrels and bitterness; and I think the old maxim is the safest rule, "Never win a victory till you have exhausted every chance of arranging a compromise."

May I add one word for the employer? Besides the super-tax the Government have laid on him these burdens:

(*a*) They have taken over his works as "Controlled Works," which takes away almost all his power over his own property.

(*b*) They claim the right to tax his profits almost at their own discretion.

(*c*) In giving orders they frequently reserve the right to cut down the prices if, on after consideration, they think them too high.

Now, I have not seen or heard that any employers have objected to any of these things, nor will they. I believe they will, as a class, do their utmost to bear any burden which the Government consider that, in the national interest, they ought to bear. They trust the Government.

Probably what has been the greatest satisfaction to a large number of people during this time of terrible sorrow and misery has been the loyalty with which our officers and men have stood by each other and trusted each other, both in the Army and in the Navy. Now, these are just the same men that represent the employers and workmen in civil life, and the question is to account for their rising, under the pressure of danger and calamity, to such a much higher level than they occupied before. As far as one can see this was quite simultaneous, both sides instinctively joining hands, trusting each other, and prepared to make every sacrifice, even of life itself, for the cause for which they were fighting. Now, if we want really to investigate questions on the actions of human beings, we are simply wasting our time unless we are prepared to go boldly down to the root of things, look into their hearts, and see really at the bottom of all what are the motives which have influenced these men, both for good and for evil.

I think we must at once face the fact that, in the main, men have far more good in them than bad, but that small causes will stir up the bad while it requires greater ones to bring the higher and nobler qualities into action.

There are especially three men who are, I think, responsible for the bad state of things, and who may be looked upon, in fact, wherever they are found, as the absolute enemies of those of their own class and of the happiness and prosperity of all mankind. The first of these is the employer who tries to combine artificially to raise prices: he is simply diminishing the amount of trade, and thereby making less work for himself and for the workmen. The second is the workman who combines artificially to restrict the output: he is doing the same thing. Probably both these men, in an ignorant and selfish kind of way, believe that they are doing some good to their own class, and we may give them a shade of palliation on the plea that they mean well! The third man is much worse: he is a man who disbelieves in unselfishness, conscientiousness, duty, and who, in fact, thinks that every human being is simply guided by what he believes to be his own personal material interest. It seems to me that this principle, carried to an extreme, is what has been the curse of what is called the German "Kultur." Some people, when one goes to business, tell one that no man is really unselfish; that every man is to be bought; that they have no faith whatever in high standards of honour and chivalry. Sometimes they go a step further and say that money is the guiding principle of everybody.

Postponing for the moment this last question about money, and speaking of the others, the action of our warriors at the front simply gives the lie to the whole thing; but, more than that, I have always felt myself, in all our disputes with the workmen (and I have been in plenty of them) that even in the bitterest strikes we were dealing with an honourable and high-minded class of men, who might be prejudiced, who might be bitter, but whose word could be depended upon, and a large majority of whom really took a pride in their work; and the end of it has commonly been that we, the employers, who meet the Union leaders, usually come to look on them as friends not only with whom we can negotiate but whom we can trust.

As regards the idea that money is such a dominating principle, not to look any higher, the mere fact that such a great many men, and still more boys, look on an increase of money as merely an opportunity for spending more time in play is a complete contradiction of that; and when young men are choosing their walks in life, they are far more influenced by questions of whether they will find the work interesting and whether the life attracts them than they are by the mere question of how much money they expect to get.

What we want, then, is to try and somehow re-establish that trust between employers and workmen that has, to a certain extent, fallen into abeyance, but by no means altogether. What we want is more confidence and sympathy. Everybody knows when the employers meet the workmen, as they do regularly in most trades, for the settlement of various disputes what an enormous amount of work is done amicably and what a number of disputes are nipped in the bud and never give any serious trouble; and it is certainly the case that if the leaders on either side of the table agree verbally to any arrangement, or promise to do or to refrain from doing anything, the other side look on that promise as being quite as safe as a legal pledge.

I have spoken of the really foolish and bad men, by whom, of course, I mean employers and workmen in exactly the same degree; but a great deal of harm may be done by mistake and misunderstanding. We can only appeal to our having confidence in each other, because where there is confidence mistakes are easily explained, and where there is kindly feeling injustices are easily put right.

CHAPTER XI

The Land Question

By W. JOYNSON-HICKS, M.P.

> The men in the dugouts talk of a good many subjects, but there is one on which they are all agreed. That is the land question. They are not going back as labourers or as tenants but as owners. Lots of them have used their eyes and have learned much about small farming out here.
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> "Many will go to Canada, some to Australia, I dare say," said one man, "but I am one of those who mean to have a little bit of Blighty for myself. We see enough in France to know that a man and his family can manage a bit of land for themselves and live well on it."—*At the War*, LORD NORTHCLIFFE, p. 102.

THE above quotations from the most widely read book on the war, written by a Tory newspaper proprietor, must at least give the Unionist Party cause to think. I remember when I ventured in the autumn of 1913 to write a long letter to the *Pall Mall Gazette* urging the Party to deal promptly and effectively with the land question, I was met with a storm of indignation, both privately and in the press, which stigmatized my letter as an amazing document for a Tory M.P. to have penned.

All this was before the war, when individualism was rampant, and when the last stronghold of privilege centred in the possession of the land; when, moreover, Mr. Lloyd George was regarded as something a shade blacker than Satan, and when the housing of cattle was considered of more importance than that of a cottager. During the war all this has changed. Our pheasants have not fought for us, but our cottagers have preserved inviolate the sanctity of our shores, and will, in the course of this year, restore civilization to a battered world; while Mr. Lloyd George is the head of a Tory Government.

Let us see, then, what is the position to-day in regard to Land Reform—very much easier, I admit, than it was in 1913.

Be it remembered that years ago the bulk of the land in England was held, and largely held, as freehold, in small holdings. The yeoman farmer of England was the man who built up the armies which fought through the French campaigns of Edward III and Henry V, and which crushed, under Cromwell, the armies of Charles I.

Gradually these small farms were bought out by the neighbouring landowners, who added field to field, and parish to parish, till we now know that some of them own ten, twenty, thirty, or even forty thousand acres, a monstrous abuse of the land laws of any country—as I do not hesitate to say, from personal knowledge, that no man can properly control or manage such vast estates.

All through the weary Victorian era the sturdy yeoman farmers, bred upon the soil, desired nothing better than to live their life—hard though it may have been, but satisfactory to themselves and to their country—on the little patches of ground which came down to them from their fathers. To-day their descendants are mere agricultural labourers at a fixed wage, or, what is worse, have drifted away into the towns, where at least they find that amusement and companionship which is not to be found in working for a landlord at 16s. a week.

We are beginning to realize, in consequence of the war, the effect of this land policy in regard to our food supply. The total food bill of the nation is about 450 millions sterling, of which less than half is grown in the United Kingdom; but if we leave out certain luxuries and deal only with the staple product of the people's food, wheat, it will be found that four-fifths of this comes to us from foreign countries or our own Colonies.

Many of us in years past, and above all my friend, Captain Charles Bathurst, M.P.—now, I am glad to say, Parliamentary Secretary to the Food Controller—warned our countrymen of the effect which this policy would have in time of war. Little did we realize how soon our words were to come true, and how near the country would be to bread rations.

If we go back to the beginning of the Victorian period, when the population of the United Kingdom was about 27 millions, it will be found that nearly all of them were fed with home-grown wheat; but, with a population of now 45 millions, we are feeding only one-tenth of that number with wheat which we grow; and the extraordinary point is that with all the improvements of science, with the development of mechanical traction on farms, with the invention and increase of so many fertilizers, the area under wheat has diminished even in the last forty years by more than 50 per cent.

It is idle to speculate as to the causes of this decline, or to tinker with remedies, without going to the root cause of all and considering whether the whole fiscal and land policies of our country have not been, during this period, grossly at fault.

Remember also that it is not as if the land which had gone out of arable cultivation had been laid down in good grass, and had fed an increasing number of cattle. Every one who has read Sir Rider Haggard's "Rural England," or who has even himself studied the condition of our farmlands, knows perfectly well that land has not been properly sown with grass seed, but has tumbled back into a collection of couch and weeds, providing no real food for cattle. It is admitted indeed that there are 12 million acres of poor grass land which, if properly cultivated, would produce enormous supplies either of wheat or of beef.

Whatever date or average of dates you like to take, it will be found that there has been no increase in cattle and sheep commensurate with the decrease in the production of wheat.

A greater loss than that of cattle and wheat is that of men engaged in agriculture. In 1842, out of a population of 16 millions in England and Wales, there were over 2¼ millions engaged in agriculture; but, prior to the war, out of a population of 35 millions there were less than one million so engaged; and if you look at the numbers similarly engaged in any other country of Europe you will find that, while in Austria the proportion runs as high as 31 per cent. and in France 21, in England it is down to less than 6 per cent., who are engaged in providing food for the people.

It is this exodus from the land which is really the fatal blot on our agriculture, and we have not got to consider homilies as to the benefit of agricultural labour, but in the truest interests of our country we must take the steps, whatever they may be, to bring back this drain from the towns into the healthier life of the counties.

It is true that in many parts of England prior to the war agricultural wages had, owing to the drain into the towns, risen to 18s. and 20s. per week; but my own view is that even if this were raised to 30s. it would not stem the steady influx to the towns, with their garish but at the same time vital existence.

What then is to be the remedy? You cannot make the life of the agricultural labourer otherwise than dull and dreary. You cannot provide him with social enjoyments or with the amenities of the dweller in towns; and so long as the man has no roots driven deep into the soil he will gradually, and still more will his sons, go where life and light are to be found.

Consider, on the other hand, the possibility of making him the owner of the soil. There you get what Lord Northcliffe's soldiers have seen in France—the intense patriotic love of the piece of land which is a man's very own. It was so in the England of the Middle Ages. It is so in France, Canada, and the United States to-day; and I am never going to be convinced that the ingrained desire of possession, which is such a dominating factor in the life of these countries, is not going to have the same effect here, given only a trial of it in sufficient numbers.

Mere tenancies will not do—there is some magic in ownership, and the smaller the owner the greater the magic. Of course Land Banks with Government support will be part of the new movement—banks which will enable the purchase to be effected; but beyond the initial loan on a fixed basis I would make all mortgages of farms or holdings of less than 50 acres invalid.

When, however, I speak of land purchase, I do not mean the mere provision of squatter-like small-holdings here and there; I mean the possibility of doing in England what the Unionist Party has done in Ireland. There we have, during the last few years, put up at the public expense 43,000 labourers' cottages and let them at an uneconomical rent. There we have pledged the credit of our country to the tune of about 120 millions sterling in order to enable 400,000 Irish farmers to purchase about 11 million acres of Irish land. If this is right for Ireland, surely it must be equally right for England and Scotland? If we are prepared to pay this for Ireland, surely we can pay it for our own country? But you may say to me: "What right has the State to compel Lord This or That to sell anything out of his 20,000 acres?" My answer, and the war has already proved it, is that the State is more than the individual.

Gone, and gone for good, are all the old individualistic ideas of the rights of property. When you tax an individual's income to the extent, as we are doing to-day, of well-nigh 10s. in the pound, and tax it, remember, without any revolt on the part of the taxpayer, simply because the State demands it in the interest of its existence, I say the State is equally entitled to demand that these big properties should be cut up in order that life may once more flow in the veins which have too long been choked in the country districts.

Before the war, it was admitted that if agriculture was really to prosper, at least a hundred thousand cottages needed building by the State: that was Mr. Lloyd George's policy. Are the Tory Party now going to say that this is a policy with which they will have nothing to do? If this is so, they will find a rude awakening when the men come back from the front. Do you think that after the war the men who have saved the situation for us will be content that 13 millions of their fellow-men should live in an overcrowded condition?

All this has got to be put straight, probably by a national ministry at the conclusion of the war, and I do implore my Tory friends not to shy off reforms on the ground that they are socialistic: why, the whole of the war is socialistic; every controlled establishment making munitions is socialistic; every railway is socialistic; the way in which food laws are fastened upon us is socialistic; and the threats, very likely in a few months to be brought into operation, of compulsion to divert land from grass to tillage is socialistic.

On the other hand, let not the landlord and the farmer forget that the period of the low price of corn has gone for at least two generations. During the twenty years prior to the war wheat was never above 35s., and in 1894 it fell as low as 23s. per quarter. Now the new President of the Board of Agriculture offers a fixed price of 60s.

Everybody knows that after the war there must be a radical change in our fiscal policy. No longer—and this I say not as a Tariff Reformer but merely as an Englishman—no longer shall we submit to be the dumping-ground for German manufactures. Whether by a tariff or by direct prohibition, these will be kept out for many years to come; and it is perfectly clear that a tariff on machinery, for instance, which is part of the raw material of agriculture, ought in common fairness to be counter-balanced either by a tariff on agricultural products or by a bounty on farm produce. It looks as if the latter course would be the one more likely of adoption.

I do not say that wheat will remain at 60s. per quarter, but I do say that for many years to come it must not go below 45s., and that it will be desirable to fix a minimum at that figure, which would encourage the recultivation of thousands of acres of derelict land.

We are more and more producing as a by-product sulphate of ammonia, one of the best of artificial manures. Let us then keep this in our own country instead of sending it abroad in exchange for food, which could be better grown here; but, above all, let us realize that "when the boys come home" they will come with an appetite for open-air life, with a dislike of the cramping and confinement of the office stool, and they will obtain that open-air life by the ownership of land here, or else in a wholesale exodus to other countries, which will receive them with open arms, and the last state of our own land will be worse even than it was prior to the war.

PS.—The above article was written before Mr. Lloyd George's speech fixing a minimum wage of 25s. a week and guaranteeing to the farmer a minimum price of 45s. for wheat. Out of this will, I hope, grow the full policy I have outlined above.—W. J.-H.

CHAPTER XII

The Position of Women in Economic Life

By MRS. FAWCETT

ENGLAND is often reproached for being a wasteful, extravagant nation. It is said that a really thrifty people could live and thrive on what we throw away. There may be an element of exaggeration in the statement, but there is an element of truth in it also, and my desire in the present chapter is to bring before its readers a great, and indeed a gross, example of our national sin of wastefulness.

We have not made in the past, and though the war has taught us much we are still not making, anything like the use we ought to make of the professional and industrial capabilities of women. The Vice-Chancellor of Liverpool University has recently expressed this thought in a vigorous sentence: "As long as a State uses only one-half of its citizens for social, economic, and public service, it is weak where it ought to be strong and poor where it ought to be rich." The discovery of the immense reservoir of unused, or only partially used, productive power which this country possesses in its women is one of the economic events of the war. But surely, it may be objected, the great mass of women of the industrial class have always been employed, and this class being probably fifteen or sixteen times more numerous than all other classes put together, the waste referred to is minimized in importance because it only affects a small minority of the population. It is true that the great mass of our countrywomen always have worked for their living; whether as wage-earners or as home-keepers, and sometimes as both, they have probably put in as hard a day's work in each recurring twenty-four hours as any other part of the population. I should indeed be prepared to argue that the married working woman, while her children are coming, is the hardest worked mortal in existence. It is one of the little jokes of the Census Department to describe her, officially, as "unoccupied." No one is "occupied" within the meaning of the Census Department unless she is earning wages. To work hard from morning to night, and sometimes during the night, cooking, cleaning, making, mending, washing, and generally "doing for" a husband and five or six children, not infrequently to have to tend a baby during the night, or in the mining districts to prepare a bath or food for son or husband working on an eight-hour shift, is the Census Department's notion of being "unoccupied" because this work is unpaid. Its national importance is more and more appreciated, and a day seems coming when the average married working woman will be recognized for the heroine she very often is. It is not of these women that I am thinking when I say that England has allowed the industrial and professional capabilities of women to fust in them unused, but of a very large proportion of the industrial women working for wages and also of the women of the professional classes who are either altogether unoccupied or are engaged on work vastly below their natural capacity.[1] Lord Revelstoke has lately expressed his opinion that the astonishing financial stability displayed by England during the war has been in part due to the "use of the great reservoir of labour previously untouched here: women and men who did no work before having taken the places of the men who have gone to the trenches."[2]

Let the case of the industrial women wage-earners be considered first. They are by far more numerous than professional women. According to the census of 1911, there were then 5,854,036 girls and women in England and Wales from ten years old and upwards working for wages. "More than half the entire female population of these islands between the ages of fifteen and twenty-five is thus at work for hire. In fact, the great majority of British women are wage-earners during some part of their lives; at the most employed age 70 per cent. are employed." If the numbers of female workers for wages in Scotland and Ireland are added and allowance made for the increase of population since 1911, the total number must have risen by 1915 (apart from the special stimulus given to women's employment by the war) to at least seven millions. According to a table prepared by Mr. Sidney Webb for the Fabian Women's group, the average earnings per adult employed manual working man in 1912 were £1 5s. 9d. per week ; per adult manual working woman it was less than half this—being only 10s. 10½d. per week.[1] That this is not an under estimate is corroborated from another source. When the Queen's Work for Women Fund was inaugurated, at the beginning of the war, to deal with the expected general distress among the wage-earners, the rule was laid down in the emergency workshops then opened for women that the wages to be paid were in no case to exceed the bare subsistence sum of 10s. a week ; for otherwise these workshops would have attracted women from ordinary employment. The interim report issued by the committee stated that "*many working women are normally in receipt of wages below subsistence level.*" Now such a state of things reveals a social and economic evil the seriousness of which can hardly be exaggerated. Miss B. L. Hutchins, in her book "Women in Modern Industry," quotes Miss Anna Tracey, Factory Inspector, as having said (1913), "Sometimes one feels that one dare not contemplate too closely the life of our working women, it is such a grave reproach." And the facts just quoted fully bear out the feeling which Miss Tracey has expressed.

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[1] Defoe called attention to this in his Essay on Projects. He spoke of the youth of women being used to teach them to "stitch and sew and make baubles," and he added, "What is a man, a gentleman, I mean, good for that is taught no more?"

[2] *The Times*, June 27, 1916.

I know the usual things which are said in mitigation of the serfdom and misery which the miserable wages of women reveal ; such, for instance, that many women have homes provided for them by their parents and are consequently willing to work for mere pocket-money wages, and so forth. There may be here and there a few young women who are working under these conditions, but it is not true of the mass, who have to subsist on what they earn and in very many cases have others dependent upon them. I quote again from the valuable researches made by the Fabian Women's group.[2] A recent analysis of 2,410 cases showed that

432 were contributing to the upkeep of their own

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[1] Fabian Tract, No. 178, "The War, Women and Unemployment," by the Fabian Women's group.

[2] "Wage Earning Women and their Dependents" (Fabian Women's Tract).

> and other homes over and above the cost of their own board and lodging.
>
> 607 were supporting themselves and partially supporting 610 adults and 284 children.
>
> 366 were supporting themselves and entirely supporting 277 adults and 338 children, and were contributing to the support of 46 adults and 22 children.

The results of outside investigations are incorporated in the report, and the conclusion is drawn that two-thirds of the wage-earning women are not only entirely self-supporting, but have others to maintain besides themselves.

The extraordinarily low level of women's wages before the war cannot therefore be explained either on the "pocket-money" theory or by the fiction that they have no one dependent upon them. Just as little could "Charlie Chaplin's" £162,000 a year be explained by attributing to him an extraordinarily numerous family. We must look further and deeper if we wish to find the causes of the enormous disparity between sacrifice and reward of sacrifice in the case of the women wage-earners.

In the Report on Women's Employment which was drawn up for the British Association, 1915,[1] it was pointed out that the great want in British industrial conditions was the very small proportion of skilled labour in proportion to unskilled, and that this disproportion, large everywhere, was exceptionally large among women. It was argued that there was never in pre-war conditions any lack of unskilled workers, but that the amount of unskilled labour which can be employed depends upon the proportion of skilled labour which can be obtained to lead and guide it. "In the case of men the lack of training and experience is all too general; *amongst women it is, with rare exceptions, the universal rule*" (p. 7). The tract by the Fabian Women already quoted emphasizes the same point. It is urged that the provision of technical education for girls all over the country is extremely inadequate: "outside London trade schools for girls hardly exist" (p. 9). Technical classes, paid for by the ratepayers and subsidized by Treasury grants, are not open to women, although both as ratepayers and taxpayers they take their share in paying for them. The reason for this is that up to the present time it has been the considered policy of Trade

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[1] Draft Interim Report of the Conference on Outlets for Labour after the War.

Unions to keep up wages by restricting as far as possible the number of people entering the skilled trades. With their enormous and well-organized political power they have been able to command the support of both political parties for this policy. When the seven or eight hundred women who were working linotype and monotype machines in Edinburgh were doomed to industrial extinction as the result of the Typographical Society's strike in Edinburgh in 1910, not a syllable of dissent or disapproval was heard from either of the political parties, although the work was extremely suitable for women and they were acknowledged to be experts in it. Numbers of Members of Parliament are ready at all times to make eloquent speeches in support of liberty and personal independence ("as far away as Paris is"), but not one was found ready to champion the liberty of the voteless against the tyranny of the serried ranks of the Trade Union vote. A much respected ex-Member of Parliament has recently said as the result of his experience of politicians: "Their views are frequently actually modified by their incurable cowardice as regards public opinion. The fear of the voter becomes a part of the very marrow of their bones."[1]

To say that the action of Trade Unions in keeping women out of the skilled industries has had a prejudicial effect upon women's wages and industrial status generally is not to make any attack upon the general usefulness of Trade Unions. The Trade Unionists have but acted in the same spirit as doctors, lawyers, actuaries, members of the Civil Service, and probably every other profession. That Trade Unions are not only desirable but absolutely necessary can, I believe, be proved to demonstration, and if any one doubts it let him compare the position of nearly all classes of industrial workers, with and without the protection of a union.

When the Holt Committee on the wages and conditions of employment in the Post Office reported, just before the war, increased wages for postal employees were recommended which would amount ultimately to nearly £2,000,000. This was concentrated entirely on the male employees; nothing was done for the women. A few Members of Parliament remonstrated, but entirely without effect.[2] Even now in war-time, with all the breaking

[1] Journal of Royal Statistical Society, March 1916, p. 147.

[2] Parliamentary debates, Thursday, April 30, 1914.

down of old customs and old barriers to employment, and the high wages many women can earn in munition work, some Government Departments are still (June 1916) offering beggarly wages to women clerks and typists; and I hear of cutlery girls in Sheffield earning only 6s., 7s., 8s., up to 12s. a week for grinding knives, 14 inches long—work that is usually classed as "men's work." To give another illustration, taken from another class of worker, I quote from a letter to *The Times*, signed by Dr. Mary Scharlieb, in which she cites the case of educated women, well known to herself as patients, now acting as inspectors of munition workers. Two women divide the twenty-four hours of each day between them. The one on the night shift is on duty from 8 p.m. to 8 a.m. "The circumstances of her work do not tend to make it easier. . . . There is no food, no rest-room, no sheltered seat. She has to walk continually along galleries, furnished with roofs and floors, but no walls. The exposure to wind and rain is trying, but not so trying as the absence of any seats and the impossibility of a hot meal" (*The Times*, April 11, 1916). No one can doubt that the girl knife-grinders of Sheffield and the women inspectors of munition workers would benefit greatly in bargaining with their employers if they ceased to be isolated individuals and became members of well-organized Trade Unions.

Over and above such specific instances as these, the long fight which Trade Unions have made for good wages on which a family can be maintained in reasonable comfort and with something that deserves to be called civilization represents not merely an advantage for a particular class, but a real national asset. The strain of war has made this clearer than ever before. How have men stood the tremendous physical and moral strain of the long months of trench warfare? They have been continually short of rest, perpetually under fire, wounded once, twice, and even three times, but return again and again to the front line. It would have been absolutely impossible for men to stand this tremendous strain unless their pre-war conditions had been such as to make them sound and robust, physically and mentally. One of the things we are learning from the war is that national welfare depends on the health of the people, and that good health cannot be expected without good conditions; it is for these good conditions that the Trade Unions have made so gallant and so self-sacrificing a fight.

While recognizing this to the full, it is, however, felt that especially in the matter of women's labour the Trade Unions have, as a whole, pursued a mistaken policy, and one that has had a terribly depressing effect on women's wages. "Female labour is not at present a crying evil in our trade, and we must see to it that it does not become one," said a Trade Union report. That is the spirit which women have had to contend with and overcome. We have to convince the men Trade Unionists that their right line of policy is not to keep the women out, but to help the women in, to welcome their entry to well-paid work, to give them the benefit of their own larger knowledge and wider experience, and either to enrol them into their own Trade Unions or to help them to form Trade Unions of their own.

The risk of losing the undoubted gains that have been won for wage-earning men by the activities of their unions is greatly increased as long as there is such huge differences in the general wages of men and women. The policy of Trade Unions should now be directed to equalizing wages. The larger the difference in the rate of remuneration between men and women, the greater is the temptation to employers to cease to employ men and take women in their place. We have to root out of people's minds the notion which largely prevails that about 15s. a week is a sort of "natural" wage for women. Miss Adelaide Anderson, the Chief Lady Inspector of Factories, quotes in her report for 1914 the remark of a foreman about piece-work: "What can one do when a girl is earning as much as 15s. a week but lower the piece rate?" (p. 49).[1] Many Trade Unionists who have won a deservedly high place in the councils of their movement see that their right policy now is to improve the whole industrial status of women. They realize that women cannot be kept out of industry, that they have come to stay;

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[1] Miss Clara Collet, M.A., in a paper read before the Royal Statistical Society in May 1916, on "The Cost of Food for an Adult Woman," gave the sum as 9s. 6d. per week in 1912 and (even when reduced by war economies, such as substituting margarine for butter, etc.) as 12s. 9d. at the war prices of 1916. This, in her view, represented the lowest sum necessary for efficiency. When it is reflected that a woman, besides food, needs clothing, housing, fuel, some expenditure on locomotion, besides an occasional holiday, the calculation forces the conclusion that considerable numbers of working women are forced to live, even during the boom in women's work caused by the war, under the standard necessary for health and efficiency.

that to resist the inevitable would be to repeat the miseries and futilities that were associated with the resistance to the introduction of machinery and with a like hopeless result. But it is the experience gained during the second year of the war that has destroyed the fiction that women were incapable of skilled work. It is interesting and instructive to find that so recently as September 1915 the report, already referred to, published under the auspices of the British Association,[1] assumed in some passages, though not in all, that women were not in the skilled trades because they were unable to do skilled work. In one passage the fact is referred to that in many of the textile trades men and women work the same machines but receive very different rates of pay, and the reason alleged for this is that the work really is unequal because the women can only in rare instances "tune" or "set" their machines; the assistance of a male tackler is required, and thus time is lost and extra expense incurred. These facts are indisputable, but in connection with them another fact should be remembered—namely that stringent Trade Union rules prevented women from being taught to "set" and "tune" their machines. They do not do it, because they are not allowed to learn how to do it. Now the notion that women were unable to do skilled work has been shattered by experience, one imagines that those who were its priests and prophets had never seen or heard such artists as Miss Marie Hall play the violin or Miss Fanny Davies the piano. They can hardly even have seen a woman dancing on the tight-rope, or the numerous successors of Mrs. Vincent Crummles standing on their heads "on the top of a long pole, surrounded by blazing fireworks." Let any one who imagines that this needs no skill try it.

With every disposition to recognize—nay, warmly to appreciate—the absolutely indispensable services of Trade Unions, their admirers must face the fact that in the matter of their attitude to women's labour they have taken the wrong turning and have been responsible for a great deal of the misery and degradation of the sweated woman. They have been wrong, and the wrong is all the greater because it has been against the principles of the creed they have professed. The elevation of the status of labour has been a religion to many of them, but in this matter of women's labour they have "denied their faith to make their faith prevail." To forcibly prevent half the nation from undertaking, or learning to undertake, skilled work is a hideous tyranny, which has kept huge masses of industrial women in a sort of serfage, from which before the war escape seemed impossible. Now the wisest and most experienced of the Trade Unionists know that the women have come to stay. Mr. J. H. Thomas, M.P., General Secretary of the National Union of Railway Men, has taken a leading part from an early date, after the new conditions caused by war became apparent, in urging that women should receive men's pay where they are doing men's work.[1] His union was the first, after the beginning of the war, to enrol women as members. As early as June 1915, addressing the annual conference of the Railway Men's Union, he urged the members to recognize that the women had come to stay, and that by every means in their power the men should insist upon the women receiving the same pay as men for the same work. "If the Conciliation Board agreement says that a certain rate of wages must be paid for a certain grade, it does not say that that rate is for men only and not for women."[2] In November of the same year he addressed a mass meeting of railway workers at Middlesbrough, and urged the same policy. Speaking of the great effort, financial, industrial, and military, that would be needed to bring about a satisfactory end to the war, he said: "I do not suggest that more ought not to be done, because evidence I have received from France and Germany convinces me that women are not fully utilized to-day. . . . We recognize that women ought to be employed, but we refuse to allow them to be employed at sweated wages with the view solely of keeping down the wages of our own labour. We do not object to the employment of women simply because they are women. What we object to is that women's labour should be exploited by any employer for his own personal ends."[3] In a later speech, delivered to the same organization at Bath in June 1916, he grappled with the industrial problems that would arise after the war, and said: "Was there any sensible man who believed that if the war ended to-morrow the women were going to be driven out of industry? If any did so believe, he was living in a fools' paradise. Viewed from the moral standpoint, would any man contemplate with any degree of satisfaction an intention of throwing out of the industrial arena one and three-quarter millions of women? He said 'No.' They had no right to set up a sex war, but they had a right to say that no employer should be allowed in future to take advantage of women's labour as a means of reducing the value of men's labour. There was only one way, and that was to insist that wherever women were doing the work of men they should be paid the same rates as men." [1]

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[1] See pp. 7, 11, 12, 15.

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[1] Up to July 1916, the following unions had also admitted women: The Railway Clerks Association, The Gas Workers and General Labourers Union, The Steel Smelters Union, and certain smaller unions such as the Amalgamated Engine and Crane Drivers Union, and the National Union of Packing-case Makers.

[2] *Manchester Guardian*, June 21, 1915.

[3] *Daily News*, November 1, 1915.

Mr. Thomas's speeches have been characterized throughout by the spirit indicated in the phrase, "Viewed from the moral standpoint, would any man contemplate with any degree of satisfaction an intention of throwing out of the industrial arena one and three-quarter millions of women?" The appeal is a moral appeal, and is representative of the close and intimate connection between the Labour movement in this country and the religious spirit and religious ideals to which an article in the *Round Table* for June 1916 drew attention. This, in the opinion of the writer in that review, represents the greatest point of difference between the British and continental Labour movements. It is certain that all through Josephine Butler's campaign against the infamous, and now utterly discredited, C.D. Acts, when the whole of the great world in science, religion, and politics was against her, she relied with a certainty that was never disappointed on the moral sense of working men and women.

It will be observed that Mr. Thomas puts the estimated number of women newly engaged in industry, in consequence of the war, at one and three-quarter millions. The Women's Labour League's estimate is as high as two and a half millions. Mr. Mallin, of the Anti-Sweating League, considers this a gross, indeed a grotesque, over-estimate. Exact figures are obviously very difficult to arrive at because of the obstacles in the way of distinguishing between those newly engaged in industrial work and those who have simply transferred their labour from one employment to another. We have, however, to remember that by the beginning of May 1916 more than five million men, by voluntary enlistment alone, had joined the Army and Navy; it would be a safe estimate to reckon that nine-tenths of these were from the industrial classes. Of course, it is quite obvious that there is great shortage of labour everywhere; but it is also obvious that in a very large number of trades the work formerly done by men is now being done by women.[1] Without hazarding any guess as to exact numbers, we all know that the number of women newly employed in industry is very large; the best judges believe that it will be permanent; and that to safeguard the interests of labour generally the strongest possible effort should be made to secure the principle of equal pay for equal work. The representatives of the Government when they were employed in gaining the consent of the Trade Unions to the entrance of women into occupations from which they had formerly been excluded definitely and specifically accepted this principle. Captain Williams, speaking on behalf of the Board of Trade at a large meeting, which was also addressed by Lord Derby, in the Town Hall, Manchester, in June 1915, said definitely: "Let me say at once the underlying principle is that women should get equal pay with men for equal results. The intention is not to engage a cheap substitute for men's labour."

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[1] *Daily News*, June 19, 1916.

Nevertheless, the movement of women into industries formerly closed to them has, at this moment, and probably will have for a long time to come, to cope with constant efforts to cut down their rate of pay. The Government is very far from setting a good example in this respect. For clerical work the pay allowed by the Treasury for women is substantially lower than that for men. When in 1916 the great rise in prices called for a bonus in the wages of the clerical staff in Government Departments an extra 4s. a week was given to all the men from eighteen years old and upwards, but only 2s. a week to women. The old story of the men having dependents and the women having none was of course the excuse, but it is not probable that many boys of eighteen have families dependent upon them. When the question of war bonus for their employees came before the Liverpool City Council the more logical course was adopted of dividing them into two groups, irrespective of sex, those with dependents and those without dependents, and the rate of the war bonus was regulated accordingly.

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[1] The very satisfactory trade returns for the month of June 1916 show that our principal exports are not being starved for want of labour. Part of the increase was no doubt apparent only, and must be attributed to higher prices; but the total advance in British exports in June 1916 was 42·2 per cent. above the exports for June 1915; and a large part of this was due to increased output, especially in the trades where women are in a majority. Thus cotton piece goods showed an advance of 76 million yards; linen piece goods of nearly 3 million yards; carpets, 244,000 square yards. Women were always in the majority in the textile trades, but they are now admitted to many processes which were formerly reserved for men. The growth in exports can fairly be attributed in a large degree to women's harder work and longer hours.

In munition factories the promise of the Government given in July 1915 that every woman over eighteen should be paid a minimum of £1 a week is still (January 1917) unfulfilled in tens of thousands of cases. In many munition works, subsequent to July 1915, women's wages have ranged from 12s. to 15s. a week, and in oxy-acetylene welding, work hitherto done by skilled men paid at the rate of 42s. a week, women in many cases were only receiving 18s. to £1.

A pamphlet, published in the spring of 1916 by the Manchester Women's War Interests Committee, states that there were then many instances in the locality of adult women in munition works who had passed through the training stage, but were earning no more than 9s. to 14s. a week time wage. Many shops pay 15s. as a time wage for women, while between 12s. and 15s. is an average.[1]

In a letter to the Press, published in June 1916 over the signatures of Mrs. Creighton, Miss Violet Markham, Mrs. Sidney Webb, and others, it was stated that in many instances women, doing Government work, were being given wages insufficient at war prices to maintain them in full efficiency of body and mind. They quote a case where "in a recent formal arbitration under the Munitions Act the arbitrator actually fixed $2\frac{3}{4}$d. an hour as the wages of adult women, many of them employed on Government work. For a sixty-hour week this is only 13s. 11d. a week, equal to no more than 9s. or 10s. a week two years ago."[2]

A new Government order was issued in June 1916, and another in December of the same year, with the avowed object of remedying this state of things and of securing to women in munition work, whether they are doing men's work or women's work, at least £1 a week. Neither is accepted by the women's representatives as really satisfactory. Miss Mary MacArthur wrote to the Press in January 1917 to the effect that "at the very lowest calculation there are over 100,000 women working on munitions of various kinds who are not yet granted a living wage." She quoted specific instances in Sheffield and in Southampton in support of this statement.[1] The fact seems to be that these repeated orders show the object aimed at by the Government has not yet been attained. The effect of the orders has been to improve the position of many of the women employed in munitions, but that the improvement has not reached many thousands of women working in "controlled" establishments, who are still receiving less than a living wage and who are precluded by the terms of the original Munitions Act from changing their employment and transferring their labour to shops which give better conditions. The workers and their representatives argue very justly that the Government should either give the women freedom to change their employers or should vigorously enforce the various statutory orders in all munition works.

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[1] "Women in the Labour Market (Manchester and District) during the War." Price 1d. William Morris Press, 42 Albert Street, Manchester.

[2] "The Common Cause," June 30, 1916.

It has often been suggested that women should join the men's Trade Unions. This is not quite so easy as it sounds. Many of the men's Trade Unions refuse membership to women. The constitution of the Amalgamated Society of Engineers is so drawn that women cannot be admitted without enabling legislation. The A.S.E. made no agreement with the employers as to women's wages and conditions of work when women were admitted into the shops: in the Manchester district 10,000 women are employed, and not more than 1,000 or 1,200 are organized. The writer of the pamphlet just quoted says: "The first attitude of the majority of unions threatened with this innovation [the introduction of female labour] was that of uncompromising refusal to work with women. When this proved untenable, the more far-sighted Trade Union leaders saw the danger of allowing a double standard of payment for the same work. It is now possible to attempt some estimate of how far the Trade Union world has been driven to overcome its prejudices against a woman receiving the same pay as a man, in order to safeguard its own hardly won rates" (p. 18). On reading the pages which follow it is not possible to form an opinion that the Trade Union world has been driven very far in this desirable direction. Still, a beginning has been made. The Railway Men's Union, as already mentioned, led the way; the situation is modified in the direction of improvement from week to week, and it is satisfactory to learn that "hostility to women's labour, as such, has almost disappeared among Trade Unionists" (p. 21).

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[1] *The Times*, January 6, 1917.

Still, the difficulties are great, and are likely to continue so. On the one hand the old Trade Union prejudices against a woman receiving the same pay as a man, and on the other the constant pressure of employers who naturally take advantage of this prejudice in order to get cheap labour. The women acetylene-welders have had some experience of this. The London Society for Women's Suffrage, among their many beneficent activities during the war, have been training women as acetylene-welders. They have been able with ease to place all their trained workers in aircraft factories, where they have received wages of 8d. an hour, and in some cases 9d. or 9½d. At one of the factories the girls asked for a rise from 8d. to 9d., and it was refused. The employers then tried to make them sign an agreement to work at a flat rate of 8d. an hour to the end of the war, no matter what work they were doing. They refused and formed a union, one of the rules of which was that the initial wage should be 8d. an hour. The men employed in the same factory were having 10d., 1s., and 1s. 2d. an hour; the women doing in most cases absolutely identical work. Now if this is allowed to go on, and if there is no real justification for the inferior rate of pay of women, it is obvious that it must end in the women monopolizing the trade and the men being turned out of it or coming down to the women's rate of wages. Therefore the interests of the men and women now employed are absolutely identical, and they should stand together and help each other.

Before the war the ready explanation of the inferior wages of women would have been the alleged inferiority of women's work; but this can hardly be urged now. For there is abundance of evidence that the allegation of the inferior productive results of women's work is without foundation. We have not only general expressions to prove this from such men as Mr. Runciman, Lord Derby, and others, but definite specific statements from experienced employers such as Sir William Beardmore, President of the Iron and Steel Institute. A few quotations from both sources may not be superfluous. Mr. Runciman, in the spring of 1916 spoke, as President of the Board of Trade, of women doing "amazingly good work"; he referred to the numbers, then reaching over 365,000, in which women in engineering had been put to do work formerly done by men. He said: "In one firm they are making electric motors, in another they are doing all the work in manufacturing 2-inch howitzer bombs, including testing. And they are doing many other kinds of work requiring the employment of machinery and calling for the greatest skill." The *Round Table* (March 1916) writes of the employment of women in all kinds of trades from which they were formerly excluded, and says "they have shown an adaptability and capacity which has upset many cherished beliefs and undoubtedly made a deep impression on the public mind."

These opinions, however interesting, are general in character, and they should be supplemented by specific facts drawn from practical experience. These may be found in the account in the Press of a visit to a munitions factory in February 1916, in which the employment of women and the absence of any attempt to use the women to undercut the men had had the effect of quintupling the output. Here we have the story of the former charwoman doing gun-breech work, boring a hole $\frac{1}{8}$-inch in diameter dead true through nearly 12 inches of steel. The test of success is the tally of broken tools, and "this woman has as yet a clean sheet." Another case was of a woman who had become "surprisingly proficient in slot-drilling, a process in which thousandths of an inch matter. Like the rest of the women in the shop, she received 25s. a week for a fortnight for sitting beside a skilled male hand watching him work the machine. Eventually she was allowed to try her hand at the work, then took it over under supervision, and now runs the machine unaided during the day for the man to take it over for the night shift."[1]

Sir William Beardmore in his presidential address to the

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[1] *Manchester Guardian*, February 2, 1916.

Iron and Steel Institute, in May 1916, told the experience of his own firm as to the formerly unused reservoir of productive capacity which women were able to supply. He complained of the resistance of the workers under pre-war conditions to utilize to the best advantage improved methods of manufacture evolved by experimental research, and added: "Early in the war it was found at Parkhead forge that the output from the respective machines was not so great as what the machines were designed for, and one of the workers was induced to do his best to obtain the most out of a machine. He very greatly increased his output, notwithstanding his predilection for Trade Union restrictions. When it was found that the demands of the Government for a greatly accelerated production of shells required the employment of girls in the projectile factory owing to the scarcity of skilled workers, *these girls in all cases produced more than double that by thoroughly trained mechanics*—members of Trade Unions—working the same machines under the same conditions. In the turning of the shell body the actual output by girls, with the same machines and working under exactly the same conditions and for an equal number of hours, was quite double that by trained mechanics. In the boring of shells the output was also quite double, and in the curving, waving, and finishing of shell-cases quite 120 per cent. more than that of experienced mechanics."[1]

Now these facts, the importance of which cannot be minimized or explained away, reveal a defect in our whole industrial organization. Masses of men, for the most part clear-headed, public-spirited and honest, conceive it to be an essential part of their duty to their class artificially to restrict output and thus render their labour vastly less productive than it might easily become. They know that millions of their fellow working men and women live habitually on the poverty line, and often below it; they know that the total remuneration of capital and labour can come but from one source—the product of their joint activities—and yet they sedulously set themselves to reduce this product and believe they are serving the cause of Labour by doing so. Until this blot in industrial organization is removed the outlook for the future remains dark and threatening. It is not my part in this chapter to endeavour to suggest how the difficulty should be tackled.

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[1] *Manchester Guardian*, May 16, 1916. The italics are mine.—M. G. F.

I am now concerned with its influence on the industrial position of women; and I can only say that the exclusion of women from the skilled trades which was a part of the Trade Union policy up to 1915 has reduced a great mass of industrial women to a position of virtual serfdom, forcing them out of the ranks of skilled industry for which they are well fitted into the already overcrowded ranks of the unskilled and unorganized. Women in skilled employments have been turned out of them by the pressure of Trade Unions, and the freeing of women from these shackles has only been accomplished at the price of a world war on an unprecedented scale. It may well be said, "At a great price bought I this freedom." There has been nothing like it in industrial history since the Black Death in the fourteenth century broke down villeinage and serfage.

Let it be remembered that we can no more afford to have under-efficiency and under-production after the war than during the war. We shall be a vastly poorer nation. The whole energies of the country are being rightly concentrated during the war to bring it to a satisfactory conclusion, but it must be remembered that this is the same thing as saying that our national energies are now mainly devoted to destruction. To repair the loss will be the task of the years that immediately follow the war. Every man and woman will have to work harder and live simpler than in the pre-war era. Our national habit of not using to anything like their full extent the industrial and professional capacities of women must be abandoned and recognized for what it is, a gross waste of national resources.

But this is not the only defect in our industrial system which has been brought to light by the war. Another has been exposed in the waste involved in systematic underpayment and overwork. The higher wages earned by women during the war, notwithstanding the great strain of long hours and (in many cases) a seven days' week, have been accompanied by an actual diminution in the cost of sick leave in the women's insurance societies. The published returns show that while this was 2·60 pence per week in 1914 it fell to 2·04 pence per week in 1915. This has been attributed to the better food that the workers have been able to enjoy in consequence of their better wages.[1] The unexpectedly high sick leave in women's insurance societies before the war may therefore be reasonably believed to be due to malnutrition. I can contribute a fact bearing on this point from the history of women in the Savings Bank. When Mr. Fawcett was Postmaster-General he induced the Treasury to advance the initial wage paid to women in the Savings Bank from £40 to £65 a year. Lord Frederick Cavendish, who then represented the Treasury, told him this was the highest proportionate advance which had ever been sanctioned by the Department. After it had been in operation a few months Mr. Fawcett inquired of the lady at the head of the women's side of the Savings Bank what had been its general result. She replied, "They dine more frequently." It is evident to most of us that "dining frequently," at least as frequently as once a day, is an important element in the preservation of health. A rise of wages from 15s. to 25s. a week enabling women to enjoy this indulgence must make for good health and consequent productive capacity.

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[1] Annual Report of the Chief Inspector of Factories for the year 1915.

Experience gained during the war has also revealed the bad economy of long hours and the advantage, from the mere economic point of view, of the Sunday rest. The Chief Inspector of Factories reports that fresh demands for permission to work on Sundays are now rarely received, and are confined to cases where sudden and unexpected emergency arises. The undesirability of Sunday work is also insisted upon by the Health of Munition Workers Committee. The shortening of the hours of work has not infrequently been accompanied by an actual increase of output, and it has been proved that over-fatigue on the part of the workers greatly adds to the liability to accidents. The provision of canteens, messroom accommodation, ambulance-rooms, with qualified nurses in attendance, rest-rooms for girls and women have proved extremely useful, and are likely "to leave behind," according to the Chief Inspector of Factories, "a permanent improvement in factory life." The Chief Lady Inspector emphasizes these points. She urges that more should be done to shorten the hours of women who are still in many cases working a twelve-hour day, and she cites one instance of the illegal employment of girls of thirteen and fourteen for fourteen and fifteen hours a day. Her report states that a prosecution followed, and overtime was in the Yorkshire textile factories very materially diminished. Miss Anderson adds: "As improved organization to meet war pressure has proceeded, and a supply of women's reserve labour is being brought forth sufficient for the great industrial demands, all excuse for the essentially wasteful expedient of overtime and night employment of young girl labour vanishes, except for the most extraordinarily sudden emergencies." Miss Anderson points out that as early in the war as 1915 at least two hundred thousand women were being employed in engineering work and other allied trades, and had set a "fashion in attracting large supplies of women of a good type not hitherto employed industrially." Mr. Kellaway, M.P. for Bedford, parliamentary secretary to Dr. Addison (of the Ministry of Munitions), speaking in July 1916, said that in 1914 there were 184,000 women engaged in war industries. "To-day there were 666,000. . . . The labour situation had been to a considerable extent saved by our women. . . . The women of France were doing wonders in munition making, but our women munition workers beat the world."[1] This is the reservoir of women's labour to which Lord Revelstoke referred as one of the mainstays of England's financial stability. It is strange, as the Chief Lady Inspector of Factories points out, that the continuous demand which factory inspectors have made for many years for an increase in the number of women inspectors, and also for the provision of rest-rooms, canteens, ambulances, nurses, means of personal cleanliness, etc., should have passed unheeded in the time of peace, and that the nation's eyes should only have been opened to their necessity by the conflagration caused by a great war.

Turning now to the position of the professional women and how it has been affected by the war, no such startling changes can be recorded as have been wrought in the position of industrial women. It is true that in the medical profession the value of women's services has received more public recognition than ever before. The then Prime Minister, together with an ex-Prime Minister and a former Governor-General of India, in a letter to the Press commended the claim of the London School of Medicine for Women to the support of the public. Women can raise the several thousands which they need for the extension of their school or for the erection of a new hospital almost as easily as the Chancellor of the Exchequer can get millions by adding ½d. to the sugar duty or 1s. to the income-tax. One of the least creditable manifestations of the Trade Union spirit in the medical profession has been the way in which before the war medical women, graduates as well as students, have been debarred from clinical experience in the great hospitals, and in none more rigidly than in the hospitals for women and children. In London they had only their own small hospital in the Euston Road and the Royal Free Hospital, entrance to which their predecessors had bought for them by annual payments. Now an arrangement has been concluded between the London School of Medicine for Women and the Governors of St. Mary's Hospital for receiving women students ; and, under the pressure of war conditions, opportunities for clinical experience for women in other hospitals are being granted, Charing Cross Hospital and King's College Hospital being among the earliest to make satisfactory arrangements for teaching women. The long boycott of women medical students in Edinburgh University has been brought to an end. Almost directly after the appointment of Sir James Ewing as the new Principal, early in July 1916, it was agreed by a large majority at a meeting of the Senate to recommend to the University Court that women should be admitted to the University classes, provided suitable arrangements could be made. The Court agreed to this on July 10th, and a committee was appointed to make recommendations for carrying it into effect. To break down, whether in London or Edinburgh, the exclusion of women students from clinical training, except within a very limited range, ought to be followed by excellent results. While it was maintained it acted as an unfair handicap on the women.

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[1] *Manchester Guardian*, July 8, 1916.

The story of the relations between the British Red Cross and medical women's organizations has in it almost farcical elements. In the first few months of the war the British Red Cross refused all recognition to hospitals officered by medical women for foreign service, and the Army medical department also refused offers of help from highly qualified medical women. The reason alleged was the supposed reluctance of the British soldier to be medically or surgically treated by women. Why women nurses should be welcomed and women doctors disapproved was not explained. Our Allies had no such prejudices, and therefore in the first months of the war British women doctors, anxious to serve the wounded, had no choice but to place themselves under the French or Belgian Red Cross. The hospital opened in Paris in September 1914 by Dr. Louisa Anderson and Dr. Flora Murray was consequently under the French Red Cross. It was splendidly organized, and was one of the show hospitals in Paris, second to none in efficiency and in popularity among our wounded men. Dr. Alice Hutchison had a typhoid hospital in Calais in 1914, so well run that she had the lowest death-rate of any similar hospital at the same time and place. The highest praise was earned, and well earned, by English women doctors who had hospitals in Antwerp at the time of its fall. Their courage under fire and their devotion and that of the nurses to their wounded men were fully appreciated by the Press and by the public all over the civilized world. Still, the British Red Cross and the British Army medical authorities could not bring themselves to recognize British medical women. The National Union of Women's Suffrage Societies was sending out their Scottish women's hospitals for foreign service in the autumn of 1914. Their first hospital at Royaumont, near Creil, had to be under the French Red Cross, and their second hospital at Troyes was under the French Army Medical Department; not that they would not have preferred working under their own national organizations, but that was not possible at the time.

The first British official recognition of the value of the woman doctor in war-time was in February 1915, when Surgeon-General Sir Alfred Keogh placed Dr. Louisa Anderson and Dr. Flora Murray at the head of a military hospital of 520 beds in London, not giving them commissions, but allowing them the rank and ratings of majors in the Army and treating them in all respects as well as if they had been men. He spoke in public of the work of women doctors at the front as being beyond all praise; it was an example, he said, of how such work ought to be done (*The Times*, February 19, 1915). No British women had, however, at that time been authorized by British authority to give their services as doctors or surgeons to their own countrymen abroad.

In May 1915 Lord Methuen, as Governor of Malta, stopped a ship conveying one of the N.U.W.S.S. hospital units, then on its way to Serbia, and bade them come to the help of British wounded men who were pouring in from the Dardanelles. This of course they did with great zeal and efficiency. When they left Lord Methuen sent a letter of thanks, in which he said: "They leave here blessed by myself, surgeons, nurses, and patients alike, for they have proved themselves most capable and untiring workers." Their heroic work in Serbia in coping with and stamping out the typhus epidemic in the spring of 1915 is well known. Their courage in the black hour of Serbia's devastation in the autumn of the same year is also now an old story; how some did the marvellous trek of three hundred miles across the snow-bound mountains till they reached the Adriatic, while others, under Dr. Elsie Ingles and Dr. Alice Hutchison, stayed on at their posts, working to the last until they became prisoners in the hands of Germany, the way they kept up their courage and good spirits through every insult (not from Austrians) and hardship—all this is well known, but it did not cause any relaxation in the determination of the British Red Cross not to recognize women doctors. A kind of ostrich policy seems to have been adopted, for the word must have gone forth to pretend that medical women were not doctors, but nurses: so paragraphs duly appeared in the Press, "Return of Nurses from Serbia," and with no mention at all of the gallant women who had led them. The good offices of the British Red Cross were, however, extended to the medical units, officered entirely by women, sent to Russia by the National Union of Women's Suffrage Societies, and very valuable aid was extended to them in the matter of identification certificates and in the forwarding of equipment, with the advantage and protection of the Red Cross labels. After declaring in May that nothing would induce them to send medical women abroad for Army service at the beginning of July 1916, the R.A.M.C. asked for the services of forty women doctors for foreign service, and would have liked eighty if they could have been spared from their work at home. The whole story is an illustration of the prejudices which women still have to overcome, of the Trades Union spirit among the men in the medical profession, of the gradual influence of war conditions in breaking it down, and of the gain to the nation of utilizing the capabilities of women and the corresponding waste of not doing so. Dr. Weinberg, Chef de Laboratoire in the Pasteur Institute, Paris, was lecturing to the medical profession in Glasgow in February 1916 on gas gangrene. In the course of his remarks he paid a remarkable tribute to the N.U.W.S.S. hospital at Royaumont. "He had," he said, "seen hundreds and hundreds of military hospitals, but none the organization and direction of which won his admiration so completely. Every duty in the hospital from those of the chief surgeon to the chauffeur of the motor-ambulances was performed by women. He was impelled to express his admiration of the manner in which cases were treated. . . ." About the bacteriological department, which was arranged by Dr. Elizabeth Butler, Dr. Weinberg was equally enthusiastic. He was struck by the most perfect order which prevailed, notwithstanding the apparent entire absence of anything in the form of rigid disciplinary measures. He atttributed this ". . . to the soldiers' natural recognition of the excellent services and attention given by the whole staff, and particularly by the chief surgeon, Miss Ivens, who was ably assisted by numerous colleagues, all inspired by the same devotion."[1]

Fifty or sixty years ago all this capacity for service would have lain dormant, because it could have had no outlet; the training for it would have been absolutely inaccessible:

> Sure, he, that made us with such large discourse,
> Looking before and after, gave us not
> That capability and god-like reason
> To fust in us unused.

The women who have shown themselves capable of this great work would have been condemned to the sort of life described in the first volume of Florence Nightingale's Life, a round of trivialities, a sort of cage-bird life. But, as her biographer remarks, "Thousands of women to-day are born free"; but it was at a great price that the pioneers had to buy their freedom.

And to-day their freedom is by no means complete. They have won their way into one great and splendid profession; but nearly every other profession is still closed to them in this country. Important educational posts are open to them; they have themselves created a new profession in nursing.[1] But both branches of the law are banged, barred, and bolted against them. No woman can become a chartered accountant, or take Holy Orders, nor is there any authorized channel by which women can enter upon the higher posts of responsibility in the Civil Service. The Civil Service Commission, which reported in 1914, some months before the war, recommended "that specially qualified women should be eligible for appointment to particular administrative situations in such departments as . . . the Board of Education, the Local Government Board, the Labour Department of the Board of Trade, the National Health Insurance Commission, and the Home Department." Nothing was done to carry out this recommendation. It may be thought that the outbreak of war was a sufficient excuse for doing nothing. On the other hand, the exigencies of the war, the great need of men to create the new armies, provided an additional reason for taking steps quickly to introduce qualified women into the Civil Service, so as to set free more and more men for military service. It has been pointed out that if action had been taken quickly on the lines recommended by the Royal Commission the task would have been considerably simplified, and a fairly large group of women would long before the third year of the war have received sufficient training to enable them to do the work now being done by men. Since the war began a few women have been introduced here and there into higher posts in the Civil Service, but there has apparently been no settled plan and little or no co-ordination between the various governmental departments—one department appearing hardly to know what another department was doing. An instance has been discreetly brought to light in which two women were appointed by two departments—unknown to each other—to carry out much the same job. However, the women appointed with much good sense met together and arranged a reasonable division of the work between them.

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[1] On Saturday, July 22, 1916, the *Figaro* had a long article expressing the warmest admiration of the National Union of Women Suffrage Societies' Hospitals in France. After speaking of the general work of the Suffragists in their own country, the paper goes on to describe the hospitals which they have organized in France, which, it says, "are marvellous from all points of view." The article concludes, 'These women are putting their whole soul into the work without any thought of recompense, without vainglory, without any motive but the desire to alleviate pain."

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[1] The low level from which Florence Nightingale and her successors have lifted nursing is well illustrated by a letter written in 1856 quoted in the "Life of Lord Granville" (vol. i. p. 136): "Lady Pam thinks the Nightingale Fund [for training nurses] great humbug. The nurses are very good now; perhaps they do drink a little, but so do ladies' monthly nurses, and nothing can be better than them (*sic*). Poor people, it must be so tiresome sitting up at night, and if they do drink a little too much they are turned away and others got."

Eloquent and powerful appeals have been made by political leaders to Trade Unionists in the name of patriotism and national danger to give up their Trade Union restrictions on the labour of women ; and, on the whole, the Trade Unionists have responded generously to these appeals ; but the professional classes have not followed suit. The workmen have given up their exclusiveness, but the members of the Civil Service, the lawyers and members of the other professions show no sign of giving up theirs. When will they begin to practise themselves what they have recommended to others ?

We have made a beginning towards repairing the waste of which we have been guilty in not using the powers and capabilities of women ; but there is much still to do ; in many respects other countries in this matter are far ahead of us. The commercial position of women in France is extremely good. In England women can hardly be said to have any commercial position at all. In nearly all European countries, as well as in America and in several of the overseas Dominions of Great Britain, women become lawyers, and practise their profession with distinction. Why should England be half a century behind them? There is no waste so great as the waste of the powers and gifts of the human beings who make up the nation. Let us resolve to make an end of it.

III

SOCIAL REFORM

CHAPTER XIII

The Rehabilitation of Rural Life

By THE BISHOP OF EXETER

It is hard to over-estimate the value to the country of having a numerous and prosperous rural population. Even before the war we thought it important. We realized that the country-bred children are healthier than even those raised in the healthiest quarters of our large towns, and the toll that is paid in child-life by the big city alone recommended every measure that encouraged the increase of the rural population. And when we added to this fact that a rural population is generally contented and happy, even in spite of wages being low, we brought into the balance two considerations of the greatest importance. For, after all, the happiness and health of the population should be the great object of government ; and though money and wealth are as a rule necessary to promote these objects, it is possible to over-estimate the importance of money and to forget that it is, after all, only a means to an end, and that a happy and healthy population is what every statesman should strive to create. Besides, a rural population is naturally sane, sane because it is healthy and happy. A friend once pointed out to me how far more sane were the politics of rural than urban France. I think that a similar thesis could be maintained in England. A countryman may be less educated, but he has a far better judgment than the townsman. We realized all this in peace time, and we therefore deeply regretted the flow of the country population to the towns.

But the war has revealed two other facts, which from their importance throw everything else into the shade, and make the formation of a large and prosperous rural population one of the first objects of sound statecraft. First, we have realized how important the countryman is as a soldier. Not only does he make a finer soldier than his town brother, but he is not addicted to the celibate life or to any Malthusian plan which diminishes the increase of population. The countryman as a rule marries and has a large family, and therefore as long as the rural population is large we may hope to have a numerous army to defend our Island. Secondly, the increase of production of food in our own country is a matter of prime importance. Many have been shocked at the vast amount of land that lies fallow in England. They will be surprised to learn how much of that land was cultivated at one time. We are told that three and a half million acres have gone out of cultivation and been turned from arable to grass land since 1872. One has only to travel by train and note the number of pasture fields that have once been under the plough to realize how serious has been the movement towards diminishing the production of food in England. Yet the production of food is of vital importance to us in case of a war, and it can never be accomplished without two things: a better system of agriculture, and, what must be associated with that system, a more numerous and a more efficient rural population. Without a large and efficient rural population more extensive cultivation is an impossibility. All the newer ideas involve not only more labour, but what I am afraid the farmers of England do not realize, more science and more knowledge of machinery—in fact a more educated labourer.

One hears constant complaints against farmers and landlords for not breaking up pastures during the present war. But it must be remembered that it takes much labour to break up pasture, and labour is the one thing we have not got at the present time. And until the land has been cultivated for a year or two the returns are very disappointing. Much of the land before it could be touched would need draining, which is of course out of the question. The increase of the cultivated area must be a question of development and labour. It can be gradually extended if we have a large and efficient population living on the land. Therefore the increase of our food supplies furnishes us with another important argument for the rehabilitation of rural life.

I. Causes of Depopulation.

The first and principal cause of depopulation is the one to which we have referred, the conversion of arable into pasture. To appreciate the importance of this factor one must remember that arable requires eight times as much labour as pasture. In the agricultural depressions land went out of cultivation and became grass land. Land "tumbled back" into grass. Sometimes it has gone farther and become waste land, and the thorn-tree and the rush occupy land that should be producing food and giving work for a rural population. The chief reason for this most regrettable development has been the low prices of the eighties and nineties. We all remember the ruin of the high farmer. It began with the bad years '78, '79, and was gradually completed through the next fifteen years. The disaster which fell upon those who had done their best to improve the cultivation of the land at that time, and the little sympathy that was extended to them by the State, frightened all classes. The landlord ceased to put capital into his land, many of the farmers' sons sought other means of livelihood, the flow to Canada became rapid, while all the best boys in the village school went to the town or anywhere but on the farm ; wages failed to rise with the general rise all over the country, and in many districts it was only the residuum of the countryside who remained. The subsequent rise in the price of wheat, which has now reached such an extraordinary height, never really remedies the condition. For no one is willing to put capital into the land without some pledge that prices shall be maintained, and without capital you cannot increase the cultivated area. All who remember the crash of the eighties ask themselves whether, when the war is over, they may not be left with great responsibilities and low prices. If it were possible by a sliding scale to fix a minimum figure for wheat, the tendency would be the other way. But without this the re-population of rural England must be a matter of considerable difficulty. The future development of either Canada or Argentina may again lower the price of wheat and spread ruin among our own agricultural community. Subject to this first and vital consideration there are several other important causes of depopulation.

II. BIG ESTATES *versus* SMALL OWNERS.

Undoubtedly in the past the big estate has been most beneficial to English agriculture. The energy and go which many great landowners showed in the beginning of the last century has been the means of bringing much land under cultivation. They took the lead in great works of arterial drainage, in the promotion of railways, in the development of scientific agriculture, and the debt that England owes to their energy and vigour, though rarely acknowledged, is very great. Such a work as "Young's Surveys" shows how much landowners did in the Napoleonic wars to promote the food production of the country. And at that time game-keeping and foxhunting were really beneficial, for they kept a class of intelligent resident capitalists interested in the country's welfare, and if the farmers grumbled at the damage done by the game it was when they forgot that the lowness of their rents was because the game rights were not let with the land. But now all this has changed and is changing. The large landowner tends to live less and less on his property. He goes to London, Monte Carlo, Switzerland, and a hundred other resorts. When he does come down for his big shoot the last thing he wants is trouble. Besides which, he does not look on the ownership of land as a business matter, and he as little thinks of making money out of his land as he does out of his wife's diamond tiara or his own motor-car. The result is that a great deal of the land is under-rented, and this more or less suits the temper of mind of many of the farmers. As a class farmers have little ambition and share the dislike of their landlords to trouble and activity. With the low rent the landlord requires, the farmer has no need to bring more land under the plough or in any way to improve the condition of his holding. In fact, he not uncommonly lets land drift into almost uncultivateable conditions. All this reacts on the agricultural labourer. The demand for labour is in normal peace times very small, and what is equally regrettable is that the standard required by the farmer is low. He does not want intelligent people, he thoroughly despises any scientific development that would need intelligence, he mistrusts even those agricultural implements that his Canadian son has used these twenty years. What he wants is a submissive sort of man who is willing to work for the miserable pittance that he is justified in giving in view of the limited production of his farm. The farmer does not believe in high wages and plenty of labour justified by a proportionately large increase of farm produce. If the land was an ordinary commodity no doubt the evil would cure itself. The landowner, in view of the poor return the land was giving, would be glad to sell, the sleepy farmer would be hustled out of the way, the demand for a higher class of agricultural labourer would be brisk, and in response to that demand wages would steadily rise. And no doubt after the war the present tendency of landowners to sell their land may produce such a development. Even if landowners are unwilling to do so, there will be a growing necessity, owing to higher taxation, to make land produce more money, and it would be well if those who are in possession of extensive estates would consider that what England wants is not so much economy as greater production. To make good the losses of the war we want every man and every acre of land to give their maximum production. This increase of production will be hampered, no doubt, by want of capital; but, on the other hand, a great deal might be accomplished by more education in agricultural matters and owners taking more trouble to understand its problems. One would like to see a knowledge of agriculture included in the normal curriculum of all educational establishments for landowners' sons. The Eton boy should be taught to milk the college cow and to clean out the byre, and the Christ Church undergraduate to plough the college farm, just as their sailor brothers have to learn to splice a cable, or their cousins in the engineering works to use the lathe and the fitters' tools. Under these conditions agriculture might receive a great impetus. The big estate might regain the important position it once occupied and become a large business concern. The tenant farmer would disappear, and his place would be taken by highly educated specialists. Just as in the industrial concern there are managers of various departments, buyers and travellers, so it would be on the big estate. For as these methods tend to economy and efficiency in the industrial world, so they would in the agricultural world. The late Lord Salisbury farmed a large portion of his Hatfield estate twenty years ago and introduced electricity as the motive power for agricultural operations. The plan was still in the experimental stage when his return to office compelled him to put aside all such interesting pursuits.

With the development of electricity one might well expect to see large estates farmed by electrical power. Such a development would economically require a bigger unit than the ordinary farm. The present system of agriculture is composed of units too small to profit by the advances in engineering and chemistry. But even if the tenant farmer were preserved—and many of us are fond of him as a class —he would be much assisted and inspired by the influence of his landlord. The landowner would take the lead in the various co-operative undertakings. His experimental farm would test and prove the value of the new machine or the scientific discovery. His personal influence would combat the economic and scientific heresies to which the agricultural mind is prone, such as low wages being an economy, and that a practical man needs no knowledge of the theory of agricultural science. But, above all, he might improve the conditions of the agricultural labourer. One would like, for instance, to see some of the landowners inserting a wages clause in their new agreements. Better wages are necessary if we are to induce men to return to the land after the war. Better wages for a better class of man, who is capable of intelligently working all the newer plans for increasing the yield of the land.

III. SMALL-OWNERS AND SMALL-HOLDERS.

Many look to a development in the opposite direction to improve the conditions of country life. They plead for the small-holder against the big farmer. One cannot understand how a small-holding can be a permanent success, though under the present inflated condition of agriculture every form of cultivation of land may succeed. The small-holder labours under so many disadvantages. The rent, if economic, must be high. It is obviously cheaper to build one cow-house for two hundred cows than fifty for four cows each. How can a man who can only buy by the hundredweight compete with men who buy by the ton? Again, he is handicapped by being unable to use machines. The people who talk about the co-operation of small-holders in the matter of machinery forget the uncertainty of our English climate. Supposing there is a fine week in hay time and one small-holder has the reaping-machine, he will cut his crop, make it, and prosper. The next holder will fall on a wet period, lose his crop, and be ruined. How is it possible that such a system can work? Both of them subscribe towards the machine. One has all the benefit and the other none. If there is to be any co-operation at all it must be complete co-operation. The small-holders must be formed into a company with a manager at their head, and at the end of the year they must share equally the profits of their holding. Any other form of co-operation is an impossibility, owing to the irregularity of the climate and the uncertainty of the conditions of agriculture. Besides, small-holdings have been constantly tried in England, and the universal experience has been that with normal agricultural conditions the small-holder cannot survive bad times. The only exceptions are where the nature of the culture is such as to require a great deal of personal attention and the minimum use of machinery.

There is a great deal more to be said for the small-owner. The small-owner has this great advantage over the small-holder that he is not burdened by a rent which must necessarily be heavy. His gains may not be great, but they are less uncertain than those of the tenant farmer. Under the ordinary system of English agriculture the produce of the land may be divided into three funds. First, the land has to pay for the labour expended on it. Secondly, the land has to pay rent. Then what is left goes to the tenant farmer. As the first two funds are fixed, all variation in the production of the farm is felt by the third, so the gains and losses of the tenant farmer are great in proportion to the capital involved. Now with a small-owner all these funds are united. He is labourer, landlord, and farmer in one. In bad years as farmer he may make nothing, but he still receives the return as labourer and owner. In very bad years he may get neither farmer's nor landlord's profit, but the land will probably produce enough to pay his wages, and, although poor, he will not be ruined. On the other hand, in good years he will get not only labourer's wages and landlord's profit, but he will also get such a large farmer's profit as to enable him to save money, and he will probably invest the saved money in his own land. A French peasant proprietor explained to me that this was the way the system worked in France; it is fair to add that in France the peasant proprietor has no rates to pay. Whether the English mind could resist the temptation of wasting the money in the good years, is the doubt that naturally crosses the mind; but one must always remember the desire to spend money on land that one owns is very great, and the small-owner might be able to resist the temptation to extravagance in good years and spend the money he saved on fruit-planting, stock, or in any other way likely to ensure a good return. The difficulty of creating a class of peasant proprietors is that of inducing working-men to save enough money to buy themselves plots of land, and also to secure that there should be a sufficient number of such plots in the market. The efforts of Mr. Jesse Collings are in this direction worthy of all praise, and should secure support from both sides of the House. Such a scheme might especially succeed in the fruit districts of England. At any rate, why should not a system which is working successfully in Ireland and producing a class of peasant proprietors be tried also in England?

IV. VILLAGE INDUSTRIES.

One of the results of encouraging the sale of land in small plots would be to promote village industries. Obviously no one would invest their money in an industry unless they had some security that they would not be turned out. Therefore a population of small freeholders tends to promote such industries; besides which, the founding of industries is often the result of an almost imperceptible development. Take the example of a man, or rather his wife, who succeeds with two or three hens kept in the back garden. Instead of killing her chickens one year she determines to increase her stock. For that purpose she must find a quarter of an acre of ground to let in a suitable situation. When she has hired the land she finds she must spend ten to fifteen pounds to enable her to take full advantage of it. They may have saved the amount, but they will be unwilling to invest it till they can get some security that they will not be turned out. And here it is that the Department of Agriculture might help; it might give them security and allow them some years during which they could buy that land by easy instalments. If the poultry business turned out a success they would be able to buy the land; if it failed, they would only lose their outlay on coops and runs. But a man must have two things to encourage his effort—first, a suitable piece of land easy to get and from which he is in no danger of being turned out; secondly, he must not himself be liable to be moved—for village industries are often in origin secondary employment, so that the growing migratory conditions of the rural population tend to prevent such developments. Industries such as fruit-growing, bee-keeping, market-gardening, rabbit-keeping, all require a stationary population. More, indeed, might be done than is done at present to educate people as to the advantages of these industries, but without land and a stationary population they will never succeed. I well remember an old woman who made a living chiefly off some black currant bushes. These bushes had been planted and cultivated by herself, and as long as she lived she protected her crop against the birds and gathered it and sold it in her neighbouring town. Her cottage was not let with the farm, and she had, therefore, a security of tenure, and with her cottage went a quarter of an acre of land. But one must add that a lonely cottage, even if it has a large bit of land attached to it, rarely attracts tenants, and the tendency to scatter cottages to oblige the farmers is one of the many reasons why country life is disliked.

V. DISADVANTAGES OF ISOLATED COTTAGES.

To the town dweller those lonely cottages standing far from any other human habitation seem ideal abodes for working folk ; he probably sees them in the spring and summer, and they blend in with the verdant landscape and seem part of a life of poetry. The sweet honeysuckle clambering over the porch, the garden gay with its roses, hide by their beauty all the very real disadvantages—yes, hardships—of those lonely habitations. Even if they were held independently of the farmer—which is becoming rarer and rarer—they would be disliked by working folk, for isolation, unless you have some means of conveyance, means discomfort and even hardships. Visit those same cottages on a wet, winter day, when the flowers are all gone and the leaves fallen from the trees are resolving themselves into black and greasy mud, then those houses will seem little better than purgatory. The children are coming back from school, soaked and tired, for they have been wet pretty well the whole day, and tea is not ready for them because the baker has not called ; it is perhaps a mile's walk to his shop, and so, as the mother must stop at home to mind the baby, the poor child has to turn back in the early winter night and struggle again through the mud to get the necessary bread.

The mother dreads the result of the long wetting, for she has known better days once; perhaps she was a servant in a smart house, and the contrast between her former comfort and her present want embitters her. Now she can only moan about the bad condition of their boots; those boots were new a short time ago, but the daily wear to and from school has reduced them to a mere fiction—in fact they are only now worn for respectability's sake, as the water flows in and out with the greatest ease; and how can she get new boots on the miserable pittance her husband earns? Why, she will explain to you at length, she finds it difficult to keep him in boots. When the child returns with the bread it is no wonder that she looks ill; she had a bad cold this morning, but she would go to school because she is trying to get the silver watch the County Council gives for five years' constant attendance. She can scarcely carry the bread in, and the cold has obviously taken a turn for the worse. When the father comes home from work the parents agree that the doctor ought to see the child, but how impossible it is to get hold of him. Father is tired out and the nearest doctor is three miles away, and it is not unlikely that even when the father reaches the doctor he will refuse to come out on such a night and only send a bottle of medicine; and so they agree to wait till the morning. But the sickness will not wait, and as the night goes on the child gets worse and worse. Ah, my town dweller, especially if you are in a good position, how little do you realize these moments of anguish. You have only got to touch your telephone and the doctor is at your door; it is not so in the country, for though the child seems dying, the father still hesitates about starting to fetch the doctor. Some doctors will not come unless a conveyance is provided for them; many treat the disturber of their slumbers with scant courtesy and little sympathy. But at last the father walks the three miles, and comes back with the bottle of medicine and a promise that the doctor will call to-morrow. Yes, they won't be surprised if he doesn't call for two or three days; and one can scarcely blame him, he has been up himself a night or two; and one must admit that the calls of the poor are not infrequently very unnecessary. Oh, many is the tragedy which one could tell of the isolated cottage, which have as their result a constant tendency to induce migration to the towns, especially among the young. Sometimes, indeed, one is astonished that the older people do not move into the village when one realizes the inconvenience of isolation ; but, however lonely the house, the labourer cannot give notice—he is bound to the house, for if he changes his house he changes his work.

VI. Tied Houses.

The lonely cottage has always been a difficulty for the country folk, but of late years a serious grievance has been created by the introduction of a new system of tenure, developed, I believe, from the system in Scotland. There the "hinds" are hired for a year and a cottage provided for them. This system may have its advantages, for a man knows exactly where he is ; he is there for a year. But the new English system works out most unfairly, for a man is hired by the week and is liable to be ejected from his house at a month's notice. Clearly a working-man cannot afford to move often, therefore once he is in his cottage he must remain there whatever the conditions of his employment. His master may be just and generous, but he may be the reverse, and even if he be an ideal master it would be hardly safe for the working-man to spend much money on his garden ; and so the modern cottage tends to be destitute of fruit-trees, an industry which might well be developed all through the country if only the cottager had security of tenure. In the old houses which do not go with the farm there stand one or two queer-shaped apple-trees, planted perhaps generations ago, defended every year against the depredations of the boys with the greatest difficulty, needing all the vituperation that the mother of the house can put into her shrill voice to save it from being looted by the urchin. It was possible to plant that old apple-tree because the house never went with any farm and was let to the same family, father and son, for fifty, perhaps a hundred years ; now the new cottages will never have an old apple-tree in their garden, for who cares to plant a tree when in another month they might be turned out. Besides, the insecurity of tenure naturally makes people migratory. Many, realizing their insecurity, prefer to leave at a moment advantageous to themselves rather than be turned out when it would involve family disaster. The family is growing up ; the sons, and especially the daughters, must soon be started in life. There are always few opportunities in the countryside ; what few there are are not attractive enough to those who may at any moment be turned out of their houses. The daughter might be a pupil-teacher at the village school—a post of some dignity and importance in village life—but if the farmer turns the family out, what will happen? The son may succeed the father, and if the father was certain of stopping mother would persuade him to do so, in spite of the bad pay and the quiet life; but if the father's tenure is uncertain, the son had better begin life in the town. So the family had better move now at once to the factory town, to one of those grimy, monotonous houses in a street of dreary aspect, with a grand-sounding name. It is true that neither mother nor father will be as happy there as they would in the open country, but no one will turn them out of their house as long as they pay their rent, and their children will not have to be separated from them, and the doctor will be close at hand, and there will be a wealth of butchers and grocers to choose from; and, besides, the children will like all the joys of the cinema, the street talk, yes, and the girls will like that which father does not like—the sixpenny dances.

VII. Joys of the Old Village Life.

Years ago the village held its own against the charms of town life. The men and women bred in the village found their living there, and only went to town occasionally; they were frightened by its noise and shocked by its wickedness. The village might be dull sometimes in the winter, but it was a sort of family establishment—everybody was related to one another and loved the place, except, perhaps, the new-comer, and as he came in only fifteen years ago he could scarcely in such a short time have learned to appreciate all the advantages of the village. The doctor lived at one end of the village, so that if he was wanted to give a bottle of medicine which cured equally all the ills to which man is heir, or to pronounce the death sentence on the sick—which seems for some reason to please the countryman's heart—or to give advice in a hundred small matters on which his wise counsel was sought, he was always at hand. Besides the doctor there would be all the other characters of the village. The clergyman lived near the church, neither beloved as the good story-book tells you, nor hated as the radical pamphlet avers, but just part of the village and treated as such. So the family would go to church half an hour before the service—people in the country villages do not cut things fine—and after church they would exchange greetings and discuss the weather and the crops. Again, on the weekday the school would be near at hand so that the children could get back for their dinners, and there would be no wading back amidst mud on a winter's evening. The old village, in fact, had many charms, but the farmers did not like it. They would explain to you that it made the men independent, so that if the price of labour was rising the men would demand their share. A man could give a week's notice if he thought he was badly treated ; if he had been a good, steady man it mattered little when he left his employment, for one of the other farmers would gladly take him on, or he would find work at the brickfield, or at the squire's house ; so if the farmer were overbearing he could speak to him as one man to another—his family were not hostages to the farmer as they are in those tied houses.

VIII. The Ideal Village.

I should like to see some village built on the old lines, with its church and its school in the centre and a great open space where all can meet and gossip in the summer evenings, and where the children could play. The village should stand off the main road, not where the motors come rushing through so that children are in danger. There might be a maypole, and a flag hauled up on days of festival. These things all make life sweeter. Round the green should cluster cottages : do not let us have them too monotonously built, and we need not have the initials of the owner built into them, but let each house have its individuality. Could it not also be arranged through some building society that some of these houses should be owned by the men who live in them? Behind the row of cottages, roughly and irregularly arranged, should be the yeomen's freehold plots of land. Trees should be planted round the village, to shelter it from the wind and make its lanes look pretty when the spring sun comes through the early opening leaves and young men and maidens wander down those lanes hand in hand, or sit in silent and mutual adoration for hours together. The farmers will like the scheme in the end : it is true they will dislike it at first ; they will find men will be much more independent and self-respecting, but they will get a better class of labourer. The chief advantage will be that England will be provided with a virile and happy rural population, able to enjoy its happiness in peace time and to defend it in the terrible hour of war.

It is little use to organize navies and armies if you have not men bold and skilful enough to fill them.

It is the personal factor that tells in the end. Help the countryman to raise a large and healthy family, and England will be safe. Allow the rural population to be diminished, and we shall soon be at the mercy of our bitterest foes.

N.B.—This article was written before I came into the west country; still I have seen nothing here to induce me to modify my views. Perhaps, indeed, they have been strengthened as regards the importance of agricultural education.

CHAPTER XIV

Housing after the War

By HENRY R. ALDRIDGE,

Secretary of the National Housing and Town Planning Council

BEFORE stating in close detail the main features of the housing problem which will present itself for solution at the close of the war, it will be of service to give a short summary of the housing problem as it presented itself to reformers at the opening of the war.

As a heritage from the past we were then burdened with many "survivals of the unfit" in the shape of large numbers of insanitary houses unfit for human habitation, and in these houses from 5 to 10 per cent. of our poorer working-class population were housed.

Overlapping with this problem of unfit housing accommodation we had, according to the 1911 Census, 10 per cent. of our urban population (nearly three million persons) living under conditions of overcrowding—i.e. with an average of more than two persons to each room. In two counties of England, viz. Durham and Northumberland, the proportion of overcrowded persons to the total population reached nearly 30 per cent.

Added to these problems of insanitary houses and overcrowding we had a growing shortage of small houses—a shortage due to the fact that in the five years preceding the war the supply was far short of the normal demand.

There has been much controversy as to the causes of this diminution in the supply of small houses, but it is clear that the constructive action of builders and investors has been adversely affected by the provisions of the Finance (1909-10) Act, 1910. A leading authority amongst the estate agents of the kingdom, Mr. A. W. Shelton, F.A.I., has collected the figures of cottage building in seventy towns (with an aggregate population of 13,000,000) for two periods, 1906-10 and 1911-15. These figures show that in the five years preceding the passing of the Finance Act 169,896 small houses were built, and in the five following years 89,654—a falling off of 80,242. The value of the figures is lessened by the fact that the last period of five years includes a full war year, but there can be no doubt that the builders have cause for complaint. This is placed beyond question by the fact that the Government in 1913, and again in 1914, admitted the existence of a grievance. In March 1914 the Parliamentary Secretary of the Treasury pledged the Government to introduce legislation in relief of builders, and but for the outbreak of war this legislation would without doubt have been passed.

This admitted decline in building activity greatly increased the difficulties of the general shortage of small houses which had been felt for a long period in certain areas—more especially in mining districts and in rural villages—and it will not be an overstatement of the housing shortage problem, as it presented itself in July 1914, to state that 400,000 new houses were needed and that the provision of these would have left unremedied, for the greater part, the insanitary houses and overcrowding referred to above.

The Housing Problem during the War.

In the first month of the war the housing problem occupied the attention of Parliament, and a wise step was taken by the Government in making provision for the lending of £4,000,000 on special terms to local authorities and public utility societies to be expended in housing schemes. One of the main factors in the decision of Parliament to pass the Act embodying this provision (the Housing, No. 2, Act, 1914) was the fear that there might be a great amount of unemployment in the building trade.

But as time passed the fear of unemployment was dispelled and the application of local authorities and public utility societies for loans under this Act were not granted.

In the first two years of the war the shortage of houses has been further increased by the cessation of cottage building activity in most centres—a cessation due in part to the unwillingness of those controlling capital to lend it for cottage building, but more especially due to the high cost of building materials and the lack of labour.

It is interesting to note the fact that although millions of men are now serving with the colours the shortage of cottage accommodation is nevertheless acute. In the early months of the war period it was quite commonly suggested that with the calling up of great numbers of men to serve, the pressure of demand for cottage houses would diminish and a great number of houses would be left untenanted. Those who made this forecast failed to take into account the determination of soldiers' wives to keep their homes intact and ready for their husbands' return at the close of the war. Many wives were urged by well-meaning philanthropic advisers to give up their homes and crowd in with their parents, but the great majority of them had the good sense to maintain their homes and to regard the payment of the rent as the first charge on a separation allowance, which, for the first time in the history of European wars, has been sufficient to enable our soldiers' wives to maintain their homes without charitable aid.

But whatever may be the reasons for the continued pressure of demand for the tenancy of cottage houses, there can be no doubt that, except in certain areas, it is as great now as it was in the year preceding the war. In many of the great cities of the kingdom this shortage has, moreover, assumed the character of a house famine. This is especially true of the great munition areas.

The usual consequence of a house famine—a steady rise in rents—began to appear in the summer of 1915, and in October of 1915 it became apparent that unless strong action was taken by the Government grave disputes between landlords and tenants would be engendered—with embittered rent strikes as a result. In fairness to houseowners it should be made clear that the majority of them were willing to place aside the opportunity, given by the shortage, to charge higher rents. Another factor, however, came into play—viz. the general rise in the rate of interest and the consequent endeavour of those who had lent money on mortgage on cottage property to secure the payment of higher rates of interest on these mortgages.

Two factors contributing towards a demand for the payment of higher rents were thus operative—viz.:

(*a*) The desire of those who had lent money on mortgage for the purchase or erection of small houses to secure the same rate of interest as that which they could secure by investing money in War Loan Stock, and, consequently, the natural attempt of property owners to transfer this burden to their tenants.

(*b*) The desire of those letting house property to secure the higher rents which the shortage of houses enabled them to demand.

Of these two forces the first was by far the more serious. Within a short time of the issue of the War Loan at 5 per cent. many of those controlling mortgage investments issued notices, intimating to those to whom money had been lent on the security of cottage property that in future an increase of ½ per cent. or 1 per cent. interest must be paid.

As the addition of 1 per cent. to the interest charge in the case of a loan of £200 on the security of a small house involved an additional payment of £2 per year (or about 9d. per week on the rent of the cottage), the nominal owner of the mortgaged house had, in the great majority of cases, no choice—except the loss of livelihood—but to transfer the added interest charge in the form of weekly rent. As a result notices demanding an increase in rent were served throughout the whole country, and many bitter controversies arose.

It then became clear that legislative action must be taken, and, acting on the advice of housing reformers, the Government introduced into Parliament and placed on the Statute Book an Act providing that for the period of the war and for six months after the close of the war:

(*a*) Rents should not be raised;

(*b*) The rates of interest on mortgages should not be raised; and

(*c*) The foreclosure of mortgages should be forbidden, except under special circumstances.

(These provisions apply only to houses let at less than certain rentals stated in the Act.)

In regard to this Act it is interesting to note the fact that its provisions have been accepted loyally, and that as a result of its operations peace from rent disputes has been secured throughout the land.

Another aspect of the housing question occupied the attention of Parliament in the early part of 1916, when the announcement that married men, attested under the Derby scheme, would be called up, rendered necessary the giving of attention to the grave problem which confronted married men in regard to the maintenance of their homes.

There was not a little danger that the moratorium method (adopted in France and other countries) would be adopted here also, but as the result of a strong appeal to members of the Government, and to members of both Houses of Parliament, the proposal to pass a Moratorium Act was rejected and a promise made by the Government that action should be taken on well-considered lines to maintain free from debt the homes of married men called up to serve. Finally, it was decided to appoint a number of Commissioners acting for the Military Service (Civil Liabilities) Committee—these Commissioners to receive applications and make recommendations as to special grants. Grants up to a total of £104 per year may be made by the Committee in regard to obligations in respect of rent; interest and instalments payable in respect of loans, including mortgages; instalments payable under agreements for the purchase of business premises, a dwelling-house, furniture, and the like; rates and taxes, insurance premiums; and school fees. Up to December 31, 1916, the local Commissioners had received 155,882 applications, and they had made recommendations in 130,000 cases The Committee had at the same date decided 119,500 applications, and had awarded grants in 86,000 cases, representing an annual payment of £1,654,000.

THE HOUSING QUESTION IN THE PERIOD IMMEDIATELY FOLLOWING THE CLOSE OF THE WAR.

That the need for constructive housing action will be greater at the close of the war than at the commencement of the war is beyond question. But quite apart from this persistence of the pre-war need for housing activity, those responsible for the guidance of the housing reform movement have been compelled to give their earnest thought and care to a constructive problem of great magnitude and first-class national importance—viz. the preparation for the home-coming of the quarter of a million men in the building trade who have responded to the call of their country and are now serving in the Army and Navy.

The gravity of the problem will be realized from the following facts and figures :

The building industry is the third greatest industry in the kingdom, and no less than 905,202 workmen are employed in it. Since the war started quite 270,000 of these have joined the Army. Probably about 50,000 more have temporarily changed their occupation and are working in the production of munitions. Of the 600,000 building-trade workmen remaining at home the greater part are engaged in war-building work—the construction of factories, aerodromes, etc.—and day by day the proportion of the men thus employed rises.

It is clear, therefore, that with the coming of peace a colossal crisis of unemployment may arise in the building trade unless wise measures are taken to avert it. The general features of this problem have been so admirably stated by Mr. B. Seebohm Rowntree that, with his kind permission, the following paragraph may be quoted from an article appearing in the *Contemporary Review* for October 1915 :

> Directly peace is signed, demobilization of the greater part of our Army will begin, and the bulk of its members will be thrown upon the labour market. Theoretically, demobilization should only take place gradually, as the labour market is able to absorb the men demobilized, but fact in this case can hardly be expected to conform to theory. A great proportion of the men definitely joined the Army for the duration of the war only, and were promised reinstatement in their old jobs at its close. We do not know exactly what the proportion of these men is, but it must be very large, and it is highly improbable that they will agree to stay with the colours for months after hostilities cease. The great majority of them will return straightway to their previous employment, throwing out of work those who have occupied their places during their absence. No doubt there will be exceptions : some will remain with the colours : some will emigrate : a few will seek fresh occupations, less monotonous or more lucrative ; but their proportion is not likely to be relatively very great. Even men whose situations have not been kept open for them will probably, as a rule, be disinclined to remain in the Army after peace is signed. In this connection it may be noted that after the Civil War in America the authorities sought to avoid rapid demobilization, but the men insisted upon it. They preferred to take their chance of finding work, and a similar experience will most likely be ours. Thus, making full allowance for all possible exceptions, and likewise for those—university students, for instance—whose return will not affect labour, I believe we shall be well within the mark in assuming that considerably over a million men will be thrown on the labour market within three months of the termination of the war, and that work will have to be found either for them or for the individuals whom they will displace. Moreover, the labour market at the time will be singularly unqualified to absorb this additional labour. Vast numbers of workers to-day are engaged in manufacturing goods, the demand for which ha

> been created directly or indirectly by the war. When peace is signed the great bulk of this demand will cease, and consequently there will be very serious dislocation of industry apart from that caused by the demobilization of the Army.
>
> This dislocation is likely to be more considerable than in August 1914, for although at that time much unemployment was certainly caused by panic and the sudden stoppage of our export trade, men were enlisting, and so being taken off the labour market, at a very rapid rate, and enormous demands were instantly forthcoming for the manufacture of all kinds of war materials. No doubt the return of peace will create a spirit of confidence among manufacturers, who will begin at once to prepare for active trade. Moreover, we must bear in mind that our soldiers will not return with entirely empty pockets. Still, I doubt whether those factors, *during the first few months*, will operate so powerfully in the reduction of unemployment as did the enlistment and demand for war materials of last August (1914).

The same problem has been stated in general terms and as affecting the industries of the country by the Chairman of the Birmingham Trades Union Congress (1916), Mr. H. Gosling, L.C.C., in his opening address :

> When the Government on the resumption of peace suddenly lessens its gigantic pay-roll, the biggest that the world has ever seen, and stops its colossal orders for every conceivable commodity—when millions of soldiers are disbanded at approximately the same time that two or three million munition workers are discharged—when something like a third of the whole wage-earning population of this country will be simultaneously losing their jobs—there is bound to be almost a flood of men and women seeking new situations. . . . This will be a moment of the gravest industrial peril. . . . The nation has a right to ask that the Government, which knows that peace will come one day, and which must realize that it will be the Government itself that will deliberately give the signal for the dismissal of six or seven million men and women from their present employment, should take all the necessary steps in advance by properly organizing the extensive public works of all kinds that must necessarily be undertaken to prevent the occurrence of any widespread or lasting unemployment.

Now it is clear that in some "key" industries—mining, shipbuilding, and, in a measure, engineering—all the skilled men available can be usefully absorbed as and when they return from the Army. But it will be unwise to deduce from forecasts of the probable condition of employment in special "key" industries any forecast as to general industrial activity at the close of the war. Each industry should be made the subject of separate and careful investigation, and when this wise course is followed it becomes evident that in the building industry great difficulties will present themselves in the year following the close of the war and that three factors will operate to produce unemployment:

(*a*) There will be difficulty in securing capital to finance building operations. There can be no doubt that the demand for capital for short investment loans will be very great and that the supply of capital for long-period investments (such as building operations) will be directly affected.

(*b*) The rate of interest will be high. It is clear that 5 per cent. will be the minimum rate at which capital will be available in the open market for Government loans, and this will certainly be the minimum rate for all private operations.

(*c*) The prices of building materials will continue to be high. At the present time the average cost of the materials for building a small house is between 30 and 50 per cent. greater than in the months immediately preceding the war. With the return of skilled workmen the cost of production of home-made materials—e.g. bricks—will diminish and prices will fall, but it is certain that for many months following the war the price of timber will continue to be abnormally high.

All these factors will operate in the direction of discouraging activity in the building trade in the period following the declaration of peace. The tendency will be to delay or postpone the construction of new buildings (as distinct from the completion of buildings already commenced) until the time when capital will be obtainable at lower rates and when the prices of building materials have been reduced.

It will clearly be an impossible task to persuade those private persons who have the power to finance private building contracts that in the face of discouraging factors they should decide to act. Their capital will flow into more encouraging fields of action, and there is only too much reason to fear that the close of the war will mark the commencement of a great crisis of unemployment in the building industry—that is to say, a crisis in an industry which has, in the past, as a result of such crises of unemployment, suffered more demoralization than any other great national industry.

But it will be urged that the period following the close of the war will be the time when the unemployed insurance legislation as applied to the building trade will prove to be of special service. A little reflection will, however, show that there are two grave reasons why another solution should be found. The first of the reasons is that public opinion will not permit the adoption of a method which will mean the flooding of our towns with unemployed workmen returning from the danger of the battle-line and receiving sums in unemployment benefit which, even when supplemented by Trade Union savings, will be admittedly inadequate to maintain a proper standard of comfort in their homes.

The second reason is that the usage of unemployment insurance funds for the purpose of relieving unemployment in the building trade due to the war cannot be justified, except on the ground that other forms of remedial action are impossible. These funds have been accumulated for the purpose of mitigating ordinary trade unemployment, and they should be strictly conserved for the purposes for which they have been created.

It may, however, be suggested that the difficulties can be surmounted by the adoption of the policy of slow demobilization. This proposal is much favoured by those who only "think one thought deep." But quite apart from the inevitable discontent of men who will desire to return to their homes and daily occupations as early as possible, a policy of slow demobilization of men in the building trade, adopted not for military reasons, but to guard against unemployment, will be prodigally wasteful and unwise in the interests of national economy. Every man kept with the colours in accordance with a policy of slow demobilization will cost the nation at least £3 per week for Army pay, maintenance, and separation allowance.

It is true that we may be compelled, through lack of sufficient care in devising other more useful and less costly means of dealing with unemployment, to adopt this policy in regard to many industries, but in the building industry a better way has been clearly outlined and a definite policy has been placed before the Government for consideration. This policy may be described as that of preparing plans and outlining schemes to secure—mainly through the agency of the local authorities of the kingdom—that work of real service to the community shall be provided for the men in the building trade, as and when the need arises at the close of the war.

There is good reason to hope that the Government will adopt this line of policy and will encourage local authorities to concentrate their attention during the period which will elapse before the close of the war on the task of preparing and holding ready plans and schemes for building, such schemes to be carried into effect "as and when the need arises."

Principal amongst the items of building work of real service to the country may be placed that of providing houses to meet the admittedly great housing shortage, and for this reason the policy outlined above commends itself to housing reformers. It received warm support at a National Congress on "Home Problems after the War," held in April last in London, and attended by four hundred representatives, who between them represented practically the whole of those interested in the building industry, as well as local authorities and great workmen's associations in the kingdom.

The Congress unanimously passed the following resolution:

> That this Congress urgently directs the attention of the Government to the critical need for the provision of additional housing for the working classes, and in respect of the national interest and responsibility in the matter urges upon the Government to set aside no less than £20,000,000 to make such advances to Local Authorities and other agencies as will enable them to provide houses at reasonable rentals having regard to all necessary and equitable circumstances and conditions.

This resolution was submitted to the Government by means of a deputation received by Mr. Walter Long, as President of the Local Government Board, on September 20, 1916. In his reply Mr. Long stated that he had already submitted to his colleagues in the Government "a comprehensive and practical scheme," and that, together with the Secretary of State for Scotland (who presides over the Local Government Board for Scotland), "he would lose neither time nor opportunity in pressing upon his colleagues in the Government the acceptance of the proposals they had made or were prepared to make." In regard to the particular sum asked for, Mr. Long said that it would be premature for him to make any announcement—he was not in a position to do so, and "he was not at all sure that the £20,000,000 named was even an index of what might be required if this work was to be properly carried out."

In regard to the terms on which the money should be lent by the Government the members of the deputation made the definite suggestion that the terms granted should be similar to those given by the Treasury in the case of housing schemes for munition workers.

The following paragraphs from the Memorandum submitted by them are of special importance:

> In regard to the conditions under which the capital sum asked for (£20,000,000) should be lent, the members of the Deputation feel that they should urge most strongly the necessity for giving an assurance to Local Authorities and other agencies that the whole of the capital sum will be available and will be advanced on the terms determined on by His Majesty's Government, until it is all applied for, and, further, that in view of the special difficulties which will be present at the close of the war, His Majesty's Government, in making loans from this capital sum, should give a substantial contribution in the form of grants in aid—or in other forms. In doing so His Majesty's Government will be following the precedent already set in the framing of the terms for lending the £4,000,000 provided under the Housing (No. 2) Act, 1914, and will be continuing the practice of the Treasury in regard to loans for the provision of houses for munition workers.
>
> How essential it is that such aid should be given will be clear from the following tables showing:
>
> (*a*) The annual and weekly rent which a Local Authority required to charge in 1913 for a cottage costing £235 (including roads and lands), the money being lent by the Public Works Loan Commissioners at 3½ per cent.; and
>
> (*b*) The rent which the same Local Authority will need to charge for a cottage costing the same amount, the loan being granted by the Public Works Loan Commissioners at the rate of interest fixed under the Treasury Minute of November 1915, viz. 5 per cent.

TABLE A.

	Per year.			Per week.	
	£	s.	d.	s.	d.
Interest on £235 at 3½ per cent	8	4	6	3	2
Estimated repayment of principal on loans for different periods (roads, building and land), 10s. per cent.	1	3	6	0	6
Rates assumed at 8s. in the £, and taken on an assumed assessment of £11	4	8	0	2	1½
Water rate—10 per cent. on £11	1	2	0		
Fire insurance on £215 at 1s. 6d. per cent.	0	3	6	1	1½
Repairs and maintenance—say, 10 per cent. on gross rental	1	16	0		
Management and collection—say, 5 per cent. on gross rental	0	18	0		
	£17	15	6	6	11

TABLE B.

	Per year. £	s.	d.	Per week. s.	d.
Interest on £235 at 5 per cent.	11	15	0	4	6½
Estimated repayment of principal on loans for different periods (roads, building and land), 8s. per cent. ...	1	0	0	0	5½
Rates assumed at 8s. in the £, and taken on an assumed assessment of £13	5	4	0	2	6
Water rate—10 per cent. on £13	1	6	0		
Fire insurance on £215 at 1s. 6d. per cent.	0	3	6	1	5
Repairs and maintenance—say, 10 per cent. on gross rental	2	6	0		
Management and collection—say, 5 per cent. on gross rental	1	3	0		
	£22	17	6	8	11

(In Table B the assessment has been taken at £13 instead of £11.)

It will be seen from these tables that the rise in the rate of interest alone will involve an increased rent of 2s. per week. This is quite independent of the advance in the cost of building materials, and if the cost of building materials does not decline at the close of the war an even more serious advance in the rents of new houses will be inevitable. The difficulties of Local Authorities and other agencies in dealing with the problem will be thus increased and the case for giving substantial help will be made even more clear.

For the purpose of housing munition workers the Treasury have made free grants of from 25 per cent. to 30 per cent. of the total cost. The case for giving similar treatment to Local Authorities and other agencies undertaking building schemes during the period of industrial dislocation which will follow the war is even more striking, and it is felt that at least the same proportion of free grant should be given in aid of housing schemes to be carried into effect during the critical and difficult period which will follow the close of the war.

It may further be pointed out that if the same proportion of free grant is given as in the case of housing schemes for munition workers, the amount of the subsidy given will not be greater than one day's cost of the war. The £20,000,000 lent will enable nearly 100,000 houses to be built.

If the Government decide to adopt this policy, and it is difficult to see how they can do otherwise—and if local authorities are encouraged and stimulated to prepare useful schemes—then two results of national importance will be achieved :

1. The workmen in the building trade may at the close of the war be set free from military service without fear of the coming of a crisis of unemployment ; and

2. The energies of those building-trade workmen who will not be absorbed by the demands of the

ordinary labour market in the building industry will be wisely used in the construction of small houses of real service to the community, and these small houses will be provided at a time when they will be in special demand.

That the period will be one of special demand for new houses—unless the loss of life amongst our soldiers is much more terrible than we anticipate—will be made clear by the following figures of marriages in England and Wales:

Marriages in England and Wales.

1913.	March	60,964	
	June	65,792	
	September	83,582	
	December	76,032	
			286,370
1914.	March	51,016	
	June	81,096	
	September	82,024	
	December	79,951	
			294,087
1915.	March	55,406	
	June	97,038	
	September	102,567	
	December	105,015	
			360,026

It will be seen from these figures that in the war year of 1915 the number of marriages in England and Wales (and not including Scotland) exceeded those in the pre-war year of 1913 by 73,656.

The new homes demanded by those who have thus contracted war marriages and who have postponed the establishment of their homes until the coming of peace will make an appreciable difference to the demand for cottages at the close of the war, even although—alas!—many of them will have made "the supreme sacrifice," and the number will be diminished to this extent.

Before leaving the subject of the need for making definite preparation to deal with the housing problems which will present themselves for solution at the close of the war, a word may be added as to the desirability of passing, before the close of the war, legislation to amend the Finance Act of 1909-10 in such a way as to remove completely the grievance under which builders suffer.

In his reply to the deputation already referred to, Mr.

Walter Long distinctly stated that he regards the Government as pledged to carry a measure of reform. The importance of fulfilling the pledge given in March 1914 by the Secretary of the Treasury cannot be too strongly urged. Every year in normal times at least 100,000 new cottages are needed to meet the growth of the population and to enable unfit houses to be closed without the production of a house famine. Hitherto 95 per cent. of the houses constructed have been supplied by private enterprise, and if for any reason the private investor neglects this field a problem of great magnitude will present itself for solution.

HOUSING IN THE YEARS FOLLOWING THE WAR.

When the first year following the close of the war has been passed through, the housing movement will enter upon a period of great difficulty, as will be seen from the following notes :

1. It is clear from the figures given earlier in this chapter that the hope of the cheap cottage must be placed aside for at least a generation. With capital bearing interest at 5 per cent. (at least) it is difficult to see how it will be possible to let a cottage, costing £250 for building construction, roads, and land, at a rent less than from 9s. to 9s. 6d. per week. The rent can hardly be put lower than this even in those districts where the cost of building is relatively low. In the London area it will probably be £350 per cottage, with a rent corresponding to this.

2. With the expiration of the Increase of Rent and Mortgage Interest Act those lending money on existing property will, in many cases, take the opportunity of demanding higher rates of interest on their mortgages, and the houseowners paying these higher rates of interest will have no choice but to increase their rents. To the extent to which the rents are substantially raised there will be much dissatisfaction, and rent disputes will trouble public peace.

In this relation it will be of service to emphasize the point that workmen and employers must in dealing with wage disputes in the years following the war calculate on a much larger expenditure in house rent. This will at once be admitted by those who are familiar with housing conditions in rural England. No hope can be entertained for the building of cottages and letting them at economic rents if the old pre-war standards of rural wages are continued. This is also true of the wages of the great mass of poorly paid labourers in the town.

3. In the five years preceding the war two of the great parties in the State had developed distinct housing policies, and, assuming that these policies will hold good at the close of the war, they may be thus summarized:

> The Unionist housing policy is one of aid to local authorities to house the poorest members of the community at a loss and to meet the deficit in the finance of housing schemes by State grants.
>
> The Liberal housing policy, whilst providing for the giving of general grants in aid of housing efforts by local authorities, has as its central feature the raising of wages in order to secure that all classes of the community shall be enabled to have decent housing accommodation.

The members of the Labour Party, with that close and intimate knowledge which they possess of all social questions, have adopted a line of policy which combines both these policies.

The war has taught us the value of unity in a fight to safeguard the future of democracy and liberty. It will be well if the war can also teach us the value of national unity in working to secure national health. It should not, therefore, be too much to hope that all parties will be brought into harmonious relation and that, by common agreement, all useful methods of attack on bad housing will be adopted.

That housing reformers are ready to support such an agreed policy is seen from the fact that at the National Congress, already referred to, the following resolution was passed:

> This Congress urges all parties in the State to take combined action to secure that every family shall be housed under proper conditions, and in order to secure this end, which is of vital and national importance, urges that legislaon should be introduced:
>
> (*a*) to set up machinery in all industries to require employers to pay wages sufficient to ensure decent housing accommodation for the workers in these industries; and
>
> (*b*) to secure that, where such raising of wages can only be achieved by stages, the Local Authority shall recognize and fulfil the duty of providing decent housing accommodation for those unable meanwhile

> to pay an economic rent, and that the whole country shall bear the difference in the cost between the rent of the decent dwelling and the rent which the tenants can afford to pay.

It is an interesting commentary on our former lack of earnestness in dealing with the housing problem to state that which will be recognized to be true by all who are in touch with members of the great political parties—viz. that the coming of the Great War has brought the achievement of the task of housing reformers appreciably nearer to accomplishment.

A great war is now in progress, and a colossal expenditure is being cheerfully borne on the ground that the national honour is involved. This expenditure is now estimated to exceed £5,000,000 per day, or £140,000,000 every four weeks. The latter amount would suffice to provide absolutely new homes, with ample accommodation, for the whole of the working-class population living at present under unfit conditions. In other words, an expenditure equal to that of four weeks' cost of the war would remove absolutely the reproach of bad housing conditions from the national honour.

It may be urged that at the end of the war we shall be so poor that as a nation we cannot afford to deal with this problem. But after thirty months of unparalleled expenditure on the war almost every place of amusement is open and great crowds pay, in the aggregate, huge sums to be amused. That after the war is over we shall still be rich enough to pay to be amused is beyond question, and it should not be too much to hope that we shall be sufficiently mindful of the debt we owe to the poorest members of the community of securing for them good conditions of home life. Every thoughtful citizen will agree with Mr. Walter Long in the view he takes of the national duty to the returning soldier :

> It would indeed be a crime—a black crime—if, reading as we do the wonderful accounts of the sufferings which our heroes have to undergo in the trenches (I do not mean the sufferings which are the inevitable accompaniment of war in the shape of wounds and death, but the physical sufferings from the horrible discomforts attendant on trench warfare as it is now carried on) we sat still now and did nothing by way of preparation to ensure that when these men come home they shall be provided for with as little delay as possible. To let them come from the horrible water-logged trenches to something little better than a pigsty here would be indeed criminal on the part of ourselves and would be a negation of all we have said during this war that we can never repay these men for what they have done for us.

4. Housing reformers of all shades of opinion are rapidly coming into agreement as to the need for making the preparation of Town Planning schemes under the Act of 1909 obligatory on all local authorities, urban and rural. To suggest that Town Planning schemes should be prepared for purely rural areas seems on the face of it absurd; but a little reflection will show that Rural Planning schemes, if prepared with care and good judgment, will be just as useful as Urban Planning schemes. The advent of heavy motor traffic on 15-feet country lanes, the danger that when the 100,000 cottages which are needed in rural districts are provided they may prove to be ugly duplicates of urban cottages built in dreary rows, the need for securing that all new villages should possess some æsthetic charm—are all considerations which will operate powerfully in the direction of securing that rural planning shall be made obligatory.

In the towns the opportunity furnished by the Town Planning clauses of the Act of 1909 in enabling local authorities to fix a maximum to the number of houses per acre, and in providing that each new housing area shall be developed on well-planned lines, will provide housing reformers with an abundance of arguments in favour of making it obligatory on every urban local authority to take Town Planning action within a reasonable time.

5. The possible shortage in the supply of capital at the disposal of private enterprise in the years following the war may render imperative the development of a municipal housing policy, with several alternative or supplementary lines of action. Up to the present the housing action of local authorities has been mainly confined to the building and letting of houses to municipal tenants. But there is no reason why other lines of action should not be adopted, and housing reformers are now giving their earnest consideration to a series of interesting proposals framed by Councillor Shawcross—the Chairman of the National Housing and Town Planning Council—who proposes that local authorities should be given powers to acquire estates, and after laying out the sites on Town Planning lines to lease these sites and advance public money, under well-defined conditions, to all who may desire to build houses for the working classes. He further proposes that local authorities should be empowered to form

public utility societies under municipal auspices and to lend money to public utility societies for the housing of the working classes.

It is not possible within the limits of this chapter to develop the case in favour of these proposals, but it may be added that there is good ground for the belief that public opinion in support of them will ripen quickly in the period following the war.

It will be in keeping with the general spirit of the book of which this chapter forms a part to urge, in conclusion, that, in the years following the war, a sense of national duty should compel us to spare no pains in making the nation efficient. To be efficient we must, however, amongst many other things, take steps to secure that the conditions within each home, and the surrounding of each home, shall be of such a character as to give the members of each family reason for pride in their British nationality.

Time will show whether we have learned, as a nation, the lesson of these months and years of national stress and strain: in other words, whether those whose homes and lives have been defended have sufficient gratitude for, and remembrance of, services rendered, and will pay their debts of honour to those who have served them so well, or, whether, with the passing away of danger the old pre-war selfishness and neglect of social conditions will reappear.

CHAPTER XV

National Health

By JAMES KERR, M.A., M.D., D.P.H.

"If people were shot, drowned, burnt, or poisoned by strychnine, their deaths would not be more unnatural than the deaths wrought clandestinely by disease in excess of the quota of natural deaths; that is, in excess of 17 deaths per thousand living." So wrote Dr. Farr in one of his illuminating reports many years ago. The death-rate of England and Wales now runs below the figure which he named, and this reduction seems due to public sanitary provision. Greater advance in national health is possible, as preventable losses in health and life are quite evident in the community, and there is much sickness not fatal, yet materially contributing to loss of efficiency.

The war has brought out two doctrines with clearness; the first is the necessity for physical and mental efficiency in every citizen, and the second that there must be unity and solidarity in the nation. From these it follows by implication that, however the individual may be expected to strive for health, it is to the interest of the State to maintain each one at the highest point of physical perfection; to neglect no means, whether by legislative or financial effort, to achieve this, whilst repressing all conditions which hinder or are in conflict with its attainment.

Apart from the fundamental needs of space to live in, air to breathe, and food, the first requisites for health in a settled community are good water supplies and the removal of refuse. The necessity for extensive provision of pure water, and the inoffensive removal of refuse, has not been evident always. Disease and death, however, in the form of epidemics, especially plague and typhus, have been the great masters whose teaching brought about reforms in the second half of last century which gave this country a sanitary lead among other lands.

Water and Drainage.—In times of drought newspapers sometimes help the realization of the astonishing wonder of how water has been provided for most of the country by public effort and at but slight cost to each user. The hills are drained, underground lakes tapped, valleys converted into reservoirs, conduits stretch across moors and through valleys, and great basins receive the water to settle and purify, giving an abundant supply for every want and to every person at a cost impossible otherwise except to dwellers by lake or riverside.

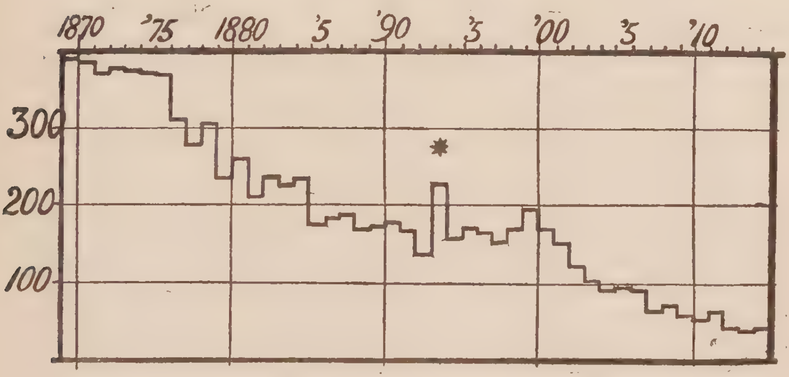
Enteric fever, which lurks latent in all communities, is an indicator of water impurity. Individual carriers of the germs who themselves may exhibit no illness exist in such numbers, that wherever for considerable time concourses of people are collected, or armies take the field, under inadequate sanitary conditions, the disease is likely to show itself actively and to spread. In the present war it has only been kept under through artificial immunity conferred by inoculation. In a similar way cholera or plague is expected, and often appears, among the pilgrims of the East.

The number of deaths from enteric fever in England has steadily decreased, and this decline has generally coincided with the introduction of supplies of pure water and in removal of excreta and wastes by drainage which does not contaminate the water. Whilst the typhoid death-rates for London are about half of those for the rest of the country, yet many outlying parts of the Empire suffer much from this disease—for instance, Canada, Australia, and South Africa. During and after the Boer War an outbreak was almost to be expected by the return to this country of numbers of active or latent cases in the Army. The upward move of mortality occurred as foreseen, but did not long persist, and furnished an unexpected but sufficient testimony to the general excellence of existing water and drainage arrangements.

The Registrar-General in his seventy-second Report states of typhoid fever: "Continuous decline in mortality has been the prevailing rule in the more progressive countries of Europe, and the interruption in the line of descent . . . finds no place in the curves of their mortality."

In matters so important to the health of the community as water supply it is evident that the provision is not one which should be allowed as a monopoly of individuals. All the necessities for health must be protected by public provision. The example set by the Canadian Government in making water power a common possession of the community incapable of private ownership is an example to be followed.

Light and warmth are also necessities. The mere maintenance of the standard of hæmoglobin in the blood depends on sufficient exposure to the light of day, and streets and courts and houses where sunlight never comes are unhealthy places to live in. With artificial light ample provision must be secured among machinery to protect from accident, and for fine work to protect from fatigue and strain, properly distributed to prevent the pain of glare or the degenerating effect of myopia noticeable in immature eyes. Means of measuring illumination and standardizing light are so good that effective supplies can be defined and secured by the necessary legislative action.



Death-rates from Typhoid Fever per Million Living, from 1869 to 1914.

* The return from the Boer War.

Formerly, as still in remote country districts, the person who ventured forth on a moonless night had to carry his own lantern, or a torch-bearer had to light the way, and in some of the older residential districts the street extinguishers remain of the generations who with their torches have passed for ever. Gas laid in mains, or electricity, furnishes the lighting of streets and houses. No individual effort could so cheaply or easily have afforded the means of extending working hours, or ensuring the safety of the roads, which has been done by this distribution of lighting from a common centre.

As with water, the amounts of light and heat necessary for health should be available for every one. Unfortunately collective action to secure the benefit of these commodities for the community, and others such as transport, fuel, milk, and many other necessities, was not recognized early enough, and a community wishing to provide for itself now finds opposition and friction. Claims and interests may end in water becoming an item costly beyond any expense of collecting, storing, purifying, or distributing, and the price of gas or electricity exceed any reasonable cost of production.

Town and Country.—Hitherto the healthy country districts have recruited the towns, but now urbanization has gone so far that about four-fifths of the population is crowded on a two-hundredth of the land surface of the country. Town life usually seems to offer many advantages by comparison with rural life ; there is good water, efficient sewage removal, prevention of nuisances, provision of supplies of fuel and fresh food, ready communication between individuals, help in the accidents and emergencies of life or disease. These advantages are, however, discounted to many by their inaccessibility. The crowding on the land in enormous barracks or in tiny houses may mean that water is only a tap at the bottom of many stairs, or the conveniences are so far removed from living-rooms that cleanliness is almost impossible with reasonable effort. Lack of space may prevent exercise, or noise preclude proper rest. The result of environment shows up in the mortality rates. From the Registrar-General's seventy-seventh Report death-rates for various districts can be obtained, and the table below contrasts the chief county boroughs with rural districts and their death-rates for various age groups :

DEATH-RATES, ENGLAND AND WALES, 1914.

Age Group	County Boroughs	Rural Districts
0—	44·1	24·5
5—	4.0	2·6
10—	2·4	1·8
15—	3·1	2·6
20—	3·7	3·3
25—	4·3	3·8
30—	5·5	4·5
35—	7·6	5·2
40—	10·4	6·6
45—	13·8	8·3
50—	19·4	12·1
55—	26·6	16·9
60—	39·8	25·3
65—	52·8	38·7
70—	87·3	64·0
75—	129·2	99·8
80—	179·8	155·6
85—	274·3	263·7
All Ages total	16·1	10·7

It may be interesting, too, to contrast an industrial town with a purely country town. Oldham and Oxford stand next to each other in the lists. For brevity, taking male deaths only, the rates at various ages can be obtained for the years 1911-14 as follows:

DEATH-RATES FOR MALES, 1911–1914.

Age Groups	Oldham	Oxford
All Ages	18·7	13·4
0—	55·6	26·8
5—	5·8	2·3
10—	2·2	1·3
15—	3·4	2·5
20—	3·6	4·2
25—	5·4	5·2
35—	10·7	8·4
45—	22·9	13·0
55—	44·7	26·3
65—	92·9	54·8
75—	194·4	133·0
85 and upwards	238·4	259·3

From these figures the improvement possible can be judged if Oldham were only brought up to the standard of Oxford; so Liverpool, one of the most difficult places in England with heavy mortality rates, might be compared to Bristol, healthiest of ports, showing that the conditions of town life are very variable, and therefore in many cases capable of improvement, and that rural existence, in spite of drawbacks, is free from many hurtful influences on the span of life.

The conditions immediately suggesting themselves as needed are sufficiency of space, of light, of comparatively clean fresh air, dilution of germ life, so that infections are in minimal instead of massive doses. There is also desirable opportunity for physiological nervous and bodily repair, which is aided by restfulness and a sense of privacy, and prevented by the constant strain of noise and bustle. The diminution of noise, of hurry, wear and tear, and avoidance of causes of chronic fatigue—all these are the immediate future requirements for healthy lives in large towns. Sound-proof rooms in towns may be as helpful to long lives as a pure milk supply, and occasional and accessible means of resting are almost as necessary as parks or open spaces.

General Requirements for Healthy Lives.—These requirements work out as good housing, a low maximum building height of two or three stories at the most for dwelling-houses, the maximum number of residents on the acre being legally restricted, and for all new buildings the preservation of an unbuilt portion of the site at least equal to that covered by building.

Separation and distribution of population thus secured over wide areas further requires cheap and rapid transport as a necessity. The daily scrimmage and cost of car or rail is a serious item in both nervous and pecuniary expenditure to workers. Very cheap or even free transport, regardless of distance, in the town should be guaranteed by every urban community if younger members are not to suffer in health from their efforts to avoid the cost of travel.

Other conditions in which the contrast is not so marked in town and country, but which affect large sections, are the long hours of labour, entailing want of opportunity for complete recreation and healthful exercise, freedom from worry about to-morrow, reasonable security for regular income in health or disease. These constitute conditions for national health easily to be afforded by the wealth of this country, and should now be definitely resolved upon.

ENGLAND AND WALES. ANNUAL DEATH-RATES IN GROUPS OF YEARS AT VARIOUS AGE-PERIODS. MALES AND FEMALES.

	0—	5—	10—	15—	20—	25—	35—	45—	55—	65—	75—	85 & up
MALES.												
1841-50	71·2	9·2	5·1	7·1	9·5	9·9	12·9	18·2	31·8	67·5	148·3	312·3
1851-60	72·4	8·5	4·9	6·7	8·8	9·6	12·5	18·0	30·9	65·3	146·7	308·2
1861-70	73·5	8·2	4·5	6·2	8·5	9·9	13·5	19·3	33·1	67·1	147·2	315·0
1871-80	68·4	6·7	3·7	5·3	7·4	9·3	13·8	20·1	34·9	69·7	150·8	327·4
1881-90	61·6	5·3	3·0	4·3	5·7	7·8	12·4	19·4	34·7	70·5	146·6	305·8
1891-00	62·7	4·3	2·4	3·8	5·1	6·8	11·5	18·9	34·9	70·4	146·1	286·8
1901-10	48·7	3·4	2·0	3·0	4·0	5·6	9·6	17·0	33·0	69·1	137·9	298·0
FEMALES.												
1841-50	61·1	8·9	5·4	7·9	9·1	10·6	12·9	16·0	28·4	61·0	135·9	293·3
1851-60	62·7	8·4	5·1	7·4	8·5	9·9	12·2	15·2	27·0	58·7	134·5	288·9
1861-70	63·7	7·8	4·5	6·6	8·0	9·7	12·1	15·6	27·9	59·1	134·9	285·1
1871-80	58·3	6·2	3·7	5·5	6·8	8·6	11·6	15·6	28·7	61·0	135·4	296·4
1881-90	51·9	5·3	3·1	4·4	5·5	7·4	10·6	15·1	28·5	60·4	130·6	270·8
1891-00	52·8	4·4	2·6	3·7	4·5	6·1	9·6	14·7	28·4	60·7	130·6	261·4
1901-10	40·5	3·5	2·1	2·8	3·3	4·8	7·9	13·1	25·5	57·6	123·8	276·9

Testing Progress and Comparing Conditions of Health.—Many reports of medical officers of health seem to base their chief considerations on the general death-rates of their districts, and year by year the same trite and unimportant observations are made on mortality. Death-rates thus used are but poor indicators of health conditions, and might not only give misleading impressions but even conceal disease.

The Registrar-General recently pointed out that the crude death-rate of Lancashire, with all its factories and labour, was lower by 7·8 per cent. than that of quiet, restful agricultural Cardiganshire. Allowing, however, for the age and sex distribution of the population, the corrected death-rate is 29·4 per cent. in excess. Lancashire, which uses up its people in its manufacturing, has an abnormally small proportion of persons at the more advanced ages at which mortality is high, whilst Cardiganshire contains an abnormally large proportion of old people. In Lancashire less than 3½ per cent. exceed sixty-five years of age, whilst in Cardiganshire it is about 9 per cent.

If instead of simply taking death-rates as a vitality measure of the population these are analysed into their different age groups, the alteration in recent years may be judged. Whilst among women and young persons the improvement has been steady, it is wanting among mature men, and the premature attrition of these men goes on with unabated vigour.

When these mortality rates of populations are synthesized by the actuarial process of constructing a life table, an exact measuring scale is got of what would happen to 100,000 infants born, if they lived under the conditions existing at the time and place considered. By such means the vitalities of populations for which life tables have been made become exactly comparable in terms of deaths and survivals. Few medical officers of health have prepared life tables for their separate localities, not having appreciated that the considerable trouble is well repaid by their immense value as a measure of local conditions. Fortunately those in charge of the national statistics fully understand this. Life tables for Scottish towns, based on the 1911 Census, have appeared, and later similar ones for England are to be expected, and will be a powerful stimulus to increase interest and regard for the national health.

Taking various periodic life tables published for England and Wales, there has been an increase in the expectation of life at birth.

Expectation of Life at Birth.	1838–1854	1871–80	1881–90	1891–00
Males	39·91	41·35	43·66	44·13
Females	41·85	44·62	47·18	47·77

If now the age of fifty is considered, instead of a gain an actual loss has been taking place.

Expectation of Life at Fifty.	1838–1854	1871–80	1881–90	1891–00
Males	19·54	18·93	18·82	18·90
Females	20·75	20·68	20·56	20·64

The Registrar-General pointed out in 1909 that when the national mortality figures are examined the English mortality experience between ten and thirty-five is very favourable compared with other countries, but at older ages equally unfavourable, especially for the male sex. Spain and Scotland alone have higher mortality; indeed, at fifty-five to sixty-five for males Scotland has the highest mortality of all.

Whilst the death-rates at school ages by the end of the century had been reduced to one-third of what they were sixty years before, that of men over forty-five was actually in excess, and it is only in the last decennium that a promise of a turn in the tide shows. "There is a marked correspondence between the ages at which mortality in towns is highest, as compared with the country, and the ages at which England exceeds other countries. Great Britain can scarcely accept as inevitable a death-rate among men of forty-five to fifty-five, exceeded only by two countries, and for men of fifty-five to sixty-five, exceeded only by Spain, whilst its general death-rate is so low. This is a preventable mortality, the causes of which should be sought out and publicly remedied." Although only hinted at officially, there is little doubt that this is the tax in life which England has to pay for her industrial fortunes.

The Industrial Tax on Health.—The introduction of machinery scarcely benefited the individual worker. Indeed, whole classes were displaced, because one man by machinery might do the work previously managed by ten ; but it was the owner of the machinery who made the gain, and the other nine men went without compensation for the work from which they were displaced. Long hours, monotonous work, often under depressing and insanitary conditions, have been but slowly modified by legislation, the protection of which is only maintained by continual inspection and penalties. A national ideal and sanitary conscience has yet to be built up. No man has a right to control any other without respect to the community. "Every society is judged and survives," said Mr. Asquith, "according to the material and moral minimum which it prescribes for its members." When the Prussian peril has been destroyed the touchstone of existence for the British Empire will be National Health, as thus defined years ago by the Premier.

Factory legislation is a gradual prescription of minimal health conditions for the workers. Like public sanitation, it also emerged from the results of typhus epidemics recurrent in manufacturing towns. Dr. Percival, one of the founders of the Manchester Royal Infirmary, started the agitation which resulted at the beginning of last century in the "Health and Morals of Apprentices Act." In the next generation Oastler, whose statue stands in the centre of Bradford, stirred up a newspaper agitation for a ten hours' day, which achieved success seventeen years later. Red herrings are always trailed across the path, results are not reached in a day. The factory inspector, whose appearance was almost accidental, was opposed as interfering with the liberty of the subject ; women's rights were supposed to be invaded by legislation regarding dangerous occupations for women and children, and parents' rights are still often urged to be too sacred to permit public interference for the health of the child—but war should have shown by now that in protecting its members the community has greater rights than any parent.

After another quarter of a century the agitation began for less hours of labour in order that the workers might share in rest and leisure the gains conferred by the powers of machinery. Two inspectors, Dr. Bridges and Mr. Holmes, reported in 1873 that pressure on the workers was steadily increasing, more machines to each, and working at higher speeds. "A separate machine for each minute step in the manufacture entails upon the person in charge a constant repetition of the same action, unrelieved by any interest in the thing itself, or calling for any exercise of the mind, and yet needing unremitting attention." This is descriptive of the substance of factory work a generation ago, and not of modern American drive. Legislation now develops sanitation as an aim in regard to some of the grosser infractions, but the minima secured are invariably too low. There are industries which do not provide the means of existence, but sweat more out of the workers than the wages paid, and after their health is exhausted by toil these workers are thrown through no fault of their own on the social rubbish-heap. These "sweated industries," as Sidney Webb has so well described, are parasitic on the community and constitute a standing drain upon the vitality of the nation. Legislation must go on until it secures in all occupations, not a living wage, but a healthy minimum, providing not merely time to eat and sleep, but time for recreation, as a set-off equal to full recovery from the fatigue of working hours, and any further efficiency methods must not mean further sweating of the worker, but secure to him the increased profits. The recent railway troubles have shown that wages should not be reckoned in sterling, but in reference to health, by their purchasing power being regulated by an index depending on the cost of the means of nutrition, thus setting a health standard instead of a monetary standard.

The already quoted statistics of the Registrar-General show this condemnation of many industrial conditions not too drastic, for whilst the death-rate of children is one-third that of sixty years ago, yet the average man or woman of fifty has a shorter life before them than their grandparents had at the same age. So much for present industrial efficiency in relation to health.

The public health must concern itself with all that affects the health or wealth of the citizens, their completeness in body and mind.

Healthy Infancy.—The birth of the child under good conditions means protection and care of the mother. The enormous reduction in infant mortality, practically initiated by Alderman Broadbent, when Mayor of Huddersfield, has pointed out the way by study of conditions, by education, and by improvement in the environment, not only to improve the health of infants, but also of other ages.

The reduction of the birth-rate goes on very steadily; it is mainly due to artificial restriction, and is of serious import to national welfare. Women who under present social conditions must often work do all they can to avoid maternity, as is also the frequent case with the parasitic class of woman. The wide use of notoriously dangerous materials shows the risks women run to avoid this. Every mother should be placed under secure conditions; the bearing of a child should not be penalized but made fully worth her while. Marriage is often made a bar to occupation, but the excluding of any woman from her post on this account ought to be illegal. Provision to keep the mother's income steady at her average for the six months before and the six months after childbirth is a wise investment on the part of the State. A starving mother produces offspring already handicapped at birth by a physique defective in growth and weight. The health and weight of the baby is the chief circumstance of national importance in maternity. The suckling at once enters on a career beset with dangers. The ophthalmia of the newborn till lately produced much blindness, but is now being regulated. Nourishment by the mother should be so encouraged that the mother who failed should be regarded as unnatural. Probably the natural feeding of the child is more fully accomplished than is usually supposed, but the popular idea that many women are incapable of this function is as untrue as it is insulting to the women. In spite of bad habit and condoning custom, at least 95 per cent. could nurse their children to advantage. The dangers of artificial feeding can only be minimized by education. Milk infected with massive doses of tubercle probably accounts for much baby mortality, and may seriously contribute to the bone and joint diseases of early years. Minimal doses of tubercle may actually immunize against later infection, so that in this respect the question of raw or sterilized milk is not yet settled, and but for the private peddling of milk would never arise. The necessity of clean milk for young children is so great that the whole milk control and distribution should be a public service, no other milk provision being permitted. The present war price of milk, even if justified, means a later crop of unhealthy and therefore costly individuals for the public funds.

Every kind of illness, even the most trivial, must be avoided in the determining period of rapid growth. For instance, during these first two years any malnutrition, febrile illness, or rickets may cause the permanent teeth to be laid down so badly that they only appear, to decay fast, and later, through dental sepsis and gastric trouble, may predispose to tuberculosis or other kinds of invalidism and inefficiency. To any one with years of clinical experience among hospital out-patients this sequence is most noteworthy, obvious, and common. The zymotic or germ-caused fevers are heaviest in their incidence on earliest childhood. Cleanliness, fresh air, abundant food, and opportunity for much free and spontaneous exercise, both before and after school entry, are elements for growth and healthy life later.

The Conscription of Children.—A conscription of all children to attend for at least five years in the public elementary schools, so that every child of whatever social origin should be tested and classified as a future citizen, would be the readiest way to attain healthy conditions. Every objection urged to this proposition if honestly examined will be found an argument for insisting upon its validity.

It has been demonstrated that there are in later life crops of children varying in physique according to their average early environment, as shown by the infantile mortality in their birth years.

Lichens do not grow in the neighbourhood of our cities; the city gardener has to be careful of what and how he plants if he wishes to see a flourishing growth. The environmental conditions of warmth, light, and air so necessary to the vegetable also influence human growth, and the plastic children are the most affected. Anæmic, rickety children are produced by conditions that save the rates.

These good nutritional conditions are not only required for children, but for all individuals. If the body cells are not kept fit by good supplies, and by the prompt removal of waste products, through the blood and lymph stream, they are in a debilitated, fatigued condition. Chronic fatigue is relative, in the heavily worked artisan or equally in the unexercised lady of leisure, due to want of sufficient removal of poisonous cell products by active circulation and gland activity. These are the individuals easily caught by germs causing disease, such as catarrhal attacks, pneumonia, or tuberculosis.

Sufficient intermittent exercise is needed to maintain good action of heart and lungs, and through them movement of the tissue fluids ; and sufficient rest for repair. Especially are these needed in the growing child. Food in abundance, space for active play, and intervals of restful sleep are necessities, sufficiency of which are wanting for most town children. One-third of the elementary school children are officially reported as in need of medical treatment. That is why it is insisted that all children for five years of their life must attend the public schools, to share and suffer the common lot, and to have it raised to a proper standard of health and life.

Quite probably such records will be quoted with horror half a century hence as showing the condition of English children at the time of the Great War.

Catarrhal Conditions a Public Evil.—The children who do not get opportunities of free play and open-air exercise whilst otherwise looked after are often well grown in bulk, but flabby, wanting in immunity and poorly resistant to disease, frequently flatfooted, and also subject to cold hands and chilblains, may indeed become actively tuberculous, in spite of good food, sufficient clothes, and warmed rooms.

The sum total of all these trivial catarrhal diseases in childhood is greater in debilitating effect and physical deterioration than any single disease of early years, and yet they are almost wholly neglected as regards prophylaxis, and scarcely ever mentioned in medical reports on schools or children's institutions. The existence of enlarged tonsils or adenoids as a public health problem is in no way satisfactorily treated by selecting large numbers for surgical operations, as is now done in many school services. When perhaps a quarter of the children in some schools present conditions which indicate severe struggle against the factors of ill-health, the causes hitherto almost untouched through school services must be sought out and remedied. As already stated, the germs which cause catarrhs and all their subsequent secondary results cause perhaps more total inefficiency than any other single factor, and ought to be controlled by the provision of good hygiene.

Slow improvement has fortunately been going forward. The standard of physique of the present generation shows a considerable advance as measured in English public schools and in the recruits of many European countries, and is probably due to improved conditions in infancy aiding health and growth. On the other hand, the native-born children in Australian schools contrast well with English-born children of the same race in absence of rickets, the product of industrialism, and in the healthy condition of their permanent teeth.

Good teeth form the best insurance towards healthy adult life ; they are insisted on as a *sine qua non* in the Navy. Healthy birth and infancy, again, are the chief cause of good teeth, but the free provision of regular dental care for every school child would be the expenditure for which the least cost would give the greatest return in public health. The child, from the condition of what Mrs. Leslie Mackenzie well describes as "the toddler" going on its own feet, up till its admission to school has at present no public provision for its care. It often suffers, as the results of repeated or almost continual trivial catarrhal attacks, in both nutrition and growth. Morning vomiting and fainting from nervous debility are little known but quite common incidents among the younger elementary school children. Public clinics should be open freely for those before school age as well as for the school child. And healthy and pleasant civic crêches should be provided, and done well, free from all taint of the Poor Law or charity. It is in this age especially that so much permanent or crippling damage and fatalities so easily occur, and it is to the interest of the State that every one should be guarded against such attacks. There must be no demand for payments for such clinic's services. Every child so long as it is dependent should be freely provided for in illness or disease ; only on such a basis can economical and readily accessible provision be made for the public health.

Public Immunity to Infections.—There is an immunity obtained separately for each infectious disease, in which one attack protects against later attacks. Each child has to acquire from its mother, or gain for itself, immunity against the ordinary risks of infection. The majority inherit this for scarlatina, and less so for diphtheria. It is artificially conferred against smallpox by vaccination; most have to acquire it by actual experience of measles or whooping-cough. These zymotic diseases of childhood appear to become milder with improved sanitation. Catastrophic attacks either from measles or complicated infections, or from debility and want of resistance in the individual, seem to be rarer.

Measles and whooping-cough, however, mainly through house and street infection, are still scourges of childhood, and especially dangerous before school ages. Reports of medical officers of health often repeat the parrot cry that "no one need have the measles," but no town dweller's physiological education is complete without, and practically all have to suffer to gain the power of resisting future attacks. Every effort, however, should be made to postpone the attack till the seventh or eighth year of life. The separation of the immunizing material of measles and its preparation for protective use could probably be determined in a twelvemonth if one-tenth of the cost of a battleship were spent on the inquiry, of greater importance to humanity than a hundred battleships.

In diphtheria the antitoxin now prepared, and useful for no other purpose than protection against this disease, should be freely supplied at public cost whenever needed. Tuberculosis in its crippling forms nearly always appears in the first half-dozen years of life, and the diseases of pre-school age are not due, as a rule, to any individual fault, but to general environmental conditions, almost invariably the result of defective social arrangements. *Pereunt et imputantur*. Disease at this period should be regarded as a condemnation registered against the whole national efficiency. The good nourishment of the Jew, with his oily diet, carries his young children scatheless through many dangers to eyes, ears, and skin before which so many of their Gentile contemporaries go down.

School hygiene is of great importance as a separate although scarcely developed branch of public health. With entrance to school the child comes under observation, but the school medical system is organized so that it does little for prophylaxis and concerns itself chiefly with recording and ameliorating defects which have arisen. Definite standards of mental attainment and physique should be laid down for all who enter the elementary school, and necessarily special provision made to level up if possible all who fall short. The universal conscription of children already suggested, and their classification according to merits and abilities when called up, is the most urgent problem at present for future social solidarity and the mental and physical health of the nation.

From such attendance of every child in school would follow all the improvements in environment now so often neglected. Again, no child should work for a wage under fourteen years of age, and none should be industrially employed more than four hours daily below the age of sixteen. Congenial occupations and a good deal of time for the organization of thought and mere games and slacking is quite a healthy need at these transitional ages.

Adolescence.—Passing beyond school life puberty is left behind, and here a considerable change of interest develops. Much greater latitude is required for personal expression. Sex is becoming more urgent, and at present remains almost without provision, except in hidden, secret ways. The veil on things sexual must be lifted. They are the ordinary things of life, and there should be a general accessibility and diffusion of knowledge, not purely on sex, but on health, social wants, and the avoidance of disease. This should be so common and so open that at any age each individual could pick up correctly what is wanted, from word or book, without special effort, mystery or curiosity, and without undue stimulation of possibly morbid feelings.

Nature, or the God of nature, has provided a function to be exercised, and added powerful inducements to this end. The mere preaching of continence to whole sections of the population is quite futile, and the assertion of its benefits an ostrich-like proceeding. It is known definitely that restriction in the third decennium of life leads to narrowed or selfish interests, a mental hyperæsthesia or morbid ideas towards sex, hysteria, and frequently nervous breakdown in neurasthenia. The question of normal physiological life must be faced, and not shirked in moralizings. The man or woman of twenty-five without a baby should be without a vote. Social machinery must provide for natural processes at the ages when they are most effective and most needed. It is only by such means that any real impression will be made on prostitution, serious to the national health on account of the venereal diseases, of which it is the main source; that traffic must be made not worth while.

Venereal Disease.—The control of venereal disease, owing to religious and also social taboo, has hitherto been shirked. Gonorrhœa and syphilis are the two diseases of importance; the first of these permanently damages a considerable proportion of women of every class, and the second is responsible for an enormous mass of mental and physical degeneration, and premature death, not only in this but in the next generation.

Dr. Kerr Love, of Glasgow, writing of the 1 per cent. of children he sees with syphilitic deafness well illustrates this point:

"Every syphilitic deaf child will lead the clinical observer to a family which has been or is being ruined by a constitutional disease. The family picture thus got is a large number of conceptions, a large proportion of still births, a large percentage of deaths in the first two years of life, chiefly from syphilitic meningitis, and the association with the deafness of blindness due to syphilitic disease of the eye. Syphilis is thus the most disastrous disease among us, from the point of view of the individual child, the family, and as a consequence the nation. When it occurs in the child syphilis should be notifiable like any other infectious disease, and the whole family put under treatment."

A table in Appendix XVIII of the recent Report of the Royal Commission shows that of 4,134 German officers infected with syphilis there died 523, or an eighth of all, with nervous degeneration in the way of general paralysis of the insane, locomotor ataxy, cerebrospinal syphilis or insanity; 17 died of the hopeless aortic aneurism; 147 of tuberculosis; and 101 of muscular diseases. Of these 119 had the disease in their system less than ten years, 115 from ten to twenty years, and the others longer still.

They are infectious diseases, and should be treated exactly as such, the knowledge for prophylaxis being made so common that every one can be protected against them. Once the standpoint of hypocrisy is abandoned, the evil results of sexual suppression will be prevented causing a mass of inefficiency and ill-health probably as great as that due to drink or tubercle. The proposals at present being developed will relieve some of the damage, but are rather like locking the stable door after the horse has gone. It is prevention of these diseases, not amelioration, that is needed.

It is only possible here to indicate by a few examples the general principles for prophylaxis of disease. The Insurance Acts represent a possibility of beginning the public discovery of the existence of much disabling disease which is non-fatal and preventable.

Each age has its own risks and dangers. The early ages, being most important, have been dealt with rather fully. The period between childhood and the climacteric has great vitality and offers much resistance, if not to damaging, at least to fatal disease.

Tuberculosis.—The next cause of disease and deaths, and in the returns made the greatest numerically, becomes evident in early adult life as phthisis, consumption or tuberculosis of the lungs. It is the most apparent of invaliding diseases, and the chief single cause of disablement among workers. Although as a fatal disease it has been diminishing for a couple of generations, this is probably due more to what the politician would call Free Trade, with its good food and improved conditions of life, than to any direct attack on the disease. In value of lives and hard cash the disease must cost many millions annually. A few years ago when £14,000,000 was being spent on poor relief, it was estimated that one-eleventh of this pauperism was due to tubercle.

The battle with tubercle has to be gone through by each one in the first decade of life.[1] In a thickly populated community the keeping up of a high average of the public health actually depends on the maintenance of some floating infection in minimal doses by the causes of disease. Those affected need never suffer even malaise, but they acquire and maintain the amount of immunity need to prevent epidemics. Absurd as it may seem, the diphtheritic cat and the tuberculous cow may not be without some advantage to the public health. Tubercle in England is ubiquitous, and although practically every one is infected but few become diseased. Of the majority who have been touched by tubercle not more than three in a thousand elementary school children are found with phthisis. Searching the families of adults suffering from tubercle, children are found coming from such an environment who themselves are affected seriously. Only long observation can determine whether the relatively important factors of this graver variety of the disease are heredity, debilitated physique, or direct infection.

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[1] Metchnikoff found tubercle rare in the Central Asian Steppes. Of sixteen young Kalmuks who came to Astrakhan in 1911, he only found half reacted to tuberculin tests, but of thirty-seven who had been a year in the town only one failed to react.

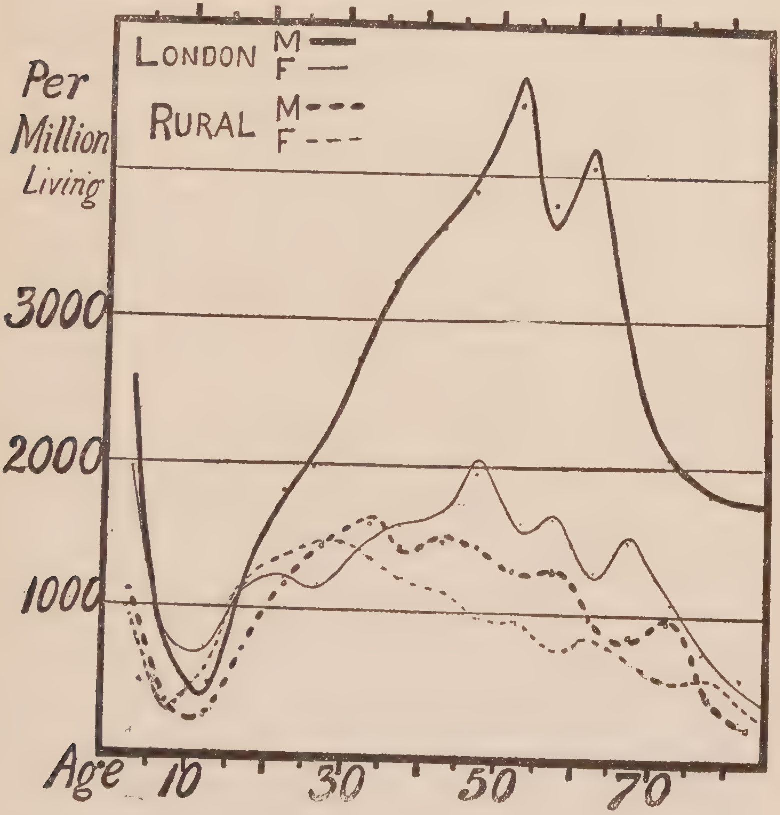
A calculation showed that the amount actually spent in London in the first decennium of the present century on the education of those dying of tubercle before twenty years of age was nearly a third of a million (£327,185), and about five times as much as (£62,966) that spent on those who died of zymotic diseases at the same time.

An infected home is particularly dangerous to the children; they may be assumed to have, if anything, a hereditary tendency and want of immunity, and even if normal they are almost continually exposed to risks of infection and frequently to more massive doses than the average risk. The maintenance of robust health is necessary in such surroundings if infection is to be resisted. Adult men, from fatigue and possibly from dust encountered in their work, are the most liable to infection; with many, too, the chronic alcoholism associated with worker's chronic fatigue accentuates the risk, for the public-house itself is a grand centre of tubercle—of which, indeed, most publicans die.

When the breadwinner is affected, as is so commonly the case, the invariable rule is a slow sinking of the family into poverty. It is the duty of the community to come to the aid of the sufferers, whether diseased or in danger of disease, as tubercle is an infection from other persons in the community, predisposed to by conditions such as the debility of overwork, the want of vitality from bad housing, and especially the ill-nutrition associated with low wages and drink—all conditions largely within control of the community, with whom must rest the responsibility for their existence.

This is a disease in which for the worst cases among the poorer classes, who are most subject to it, treatment of symptoms for a few months in a sanatorium is pouring out money almost uselessly, and prolonging wasted lives to be the cause of further misery and infection. The tubercular patient, in an infectious condition, should be removed from the community and all his social relations fulfilled until he has ceased to be a possible source of infection and is again able to undertake his responsibilities.

The tubercular child should be aided in its natural tendencies to recovery, not by merely home visiting, but by a change of environment. The chief aid is nutritional, by abundant and freely supplied food, and by the stimulation of fresh air. These children are often of fine nervous texture and likely to make valuable citizens later. Freedom must be procured from continual infection, and from the care and worry which affects even children in a struggling and sinking family. A year or more in the country is almost necessary, in a residential convalescent



PHTHISIS DEATH-RATES PER MILLION LIVING AT EACH AGE IN 1914. FOR MALES AND FEMALES, IN LONDON AND RURAL DISTRICTS.

school or camp. Heredity may not be controllable in the present, but the other conditions of debility, notably the depressing factors, want of food, chronic fatigue, alcohol, and the irritating factor of dusty work, and actual infection, are all within immediate control if the price is paid—and this is necessary. The tuberculosis tax must be met in money or lives.

Alcoholism.—Another great cause of inefficiency and death is alcoholism. When a custom is as universal as drinking there should be something to be said for it ; there must be some advantages, but in the case of alcohol these advantages are outweighed a thousand times from the point of national health by its disadvantages.

Advance in knowledge in this century has shown the influence of hidden emotions existing in the mind. Emotions cannot be suppressed or restrained without finding expression in some other direction. The industrial worker is described as often employed for many hours daily in "a constant repetition of the same action, unrelieved by any interest in the thing itself, or calling for any exercise of the mind, and yet needing unremitting attention" (p. 261). He has scant leisure except for eating and sleeping. There are areas of brain almost unexercised, and crying out, as it were, for function. They require regular exercise and flushing with blood, or they pass into an unhealthy state which becomes the physical basis of hysteria and emotionalism. Those functions which are least easily suppressed are the long established and more ancient concerned with the cruder forms of emotional expression. With the young this formerly came out in riotous behaviour and hooliganism. Now the excitement of watching a fight or a football match or the kinema largely supplies the want. Betting, gambling, and all kinds of cheaply obtained but violent crises of a subjective kind, not calling for further muscular fatigue, are the mental emotions demanded. They are not evidences of evil or slackness, but the physiological reaction to want of sufficient mental life. Time and opportunity, with provision for varied and readily accessible recreation, cheaply or freely provided, are urgent public necessities. Recreation as a hygienic necessity has not yet been properly recognized ; its civilizing, humanizing, and sanitary effects appear scarcely appreciated. Alcoholism through paralysing emotions gives considerable relief and satisfies temporarily the want of mental life. It could be replaced by supplying this in a way far better by competitive games, or conditions in which constant improvement can be attempted—e.g. marksmanship, and where self-respect and contented minds are developed to the gain of both the individual and society.

Another cause of chronic drinking is due to its anæsthetic effects on the tired worker. It gives relief from chronic fatigue, and he misinterprets this as added strength, so that laborious workers are usually chronic drinkers.

The manual worker, too, often travels long distances on foot, and passes non-working intervals in a condition of irritable fatigue in which sensible recreation is almost impossible, and from which respite is only felt during sleep, or by temporary stimulation with alcohol.

The effects of alcohol on the individual may be roughly classed as those due to excessive and those to chronic drinking.

An occasional indulgence in alcoholic drinks, even to drunken excess, does not necessarily involve serious changes leading to ill-health or disease. The habitual and frequent use of such drinks as a means of stimulation during working hours, although actual drunkenness may never be approached, leads, however, to serious nervous and digestive changes, with all the secondary results which make up the picture of the chronic alcoholic.

The lack of control leads to much crime. The majority of homicides are alcoholic. It is the cause of many suicides and a large proportion of sexual crimes. Its disastrous physical effects show in returns of recurrent illnesses from bronchitis, gastric and hepatic troubles, and in deaths from cardiac failure, circulatory disorders, apoplexy and softening of the brain. The alcoholic, too, suffers from diminishing powers of resistance in the second half of life, so that death may come quickly from bacterial invasion by pneumonia, carbuncle or septic poisoning, or less quickly from tuberculosis.

Drink, then, is largely the result on one hand of emotionally drab lives, wanting in opportunity for exercise and recreation, or on the other of chronic feelings of exhaustion from monotonous work for long periods.

The effects of drink on national efficiency during the war, the way its provision has used up valuable materials, choked transport and freightage, and demanded the energies of thousands of workers, have shown that there is here another example of need for communal action. The prevention of such a leakage ought not to await the overthrow of the Prussian. Restricted opportunities for drinking have been demonstrated advantageous. The trade should be curtailed and managed by the State so that it would not be to any one's advantage to make potable alcohol, and none should push the sale or encourage any individual use of drink. The benefits of such a course of action to the public health would be indescribably great.

Apart from drink, there are many occupations which in themselves entail high mortality. The Cornish miner, for instance, who goes out to the Transvaal is soon used up, and generally comes home to die of miner's phthisis. All stone dusty workers run risks of lung disease. Dr. Barwise thinks the siliceous deposits of Derbyshire could be mapped out by the prevalence of fibroid phthisis in various districts there. Till recent years matchmakers and phosphorus workers were much affected by the yellow phosphorus allowed in their trades. Alkali workers, workers in arsenic, antimony, mercury, and still, too, lead workers, frequently suffer in health.

Strangely, in these dangerous trades people often work very long hours for miserable wages, and in this respect are truly sweated. Their working hours should be much shortened and their wages correspondingly raised to meet the sacrifice in health and years of life risked; by restricting such employment much damage might be prevented. Such points the managers of the National Health Insurance will have to take into close consideration, as they now not only affect individual health, but also the national finance. The life tables quoted earlier leave no doubt that the majority of workers have lives prematurely shortened for others' gain. The rules of many Trade Unions restricting output are framed in self-defence, but they are inadequate as sanitary measures in that, whilst they shorten output, they do not increase the amenities of life by securing further opportunities for leisure, rest, and recreation.

The workers who themselves own the famous Zeiss optical factories in Jena determined experimentally years ago that they could not turn out an equally good amount of work if employed more than eight hours daily, and before the war a rule was in force that no one should be on the premises more than eight hours out of twenty-four.

The improvement should come in shortened hours, not in shortened output. An eight-hours' day when adopted could by improved working and the study of efficiency methods be reduced in time probably to six hours daily, without reducing the work done or wages paid, and the time gained would really be added to the healthy life of the workers who had earned it. No social means of improving the public health can afford to neglect a considerable proportion, probably a tenth, of the population who are below the intellectual plane necessary for wholesome life under civilized conditions, and they are only sustained at the expense of their fellows. This parasitic section under the protected conditions existing is recruiting itself at a greater rate than the normal population. Drastic regulation to prevent such procreation is the only remedy, and can be obtained by collective action, but much education as to existing and prospective facts is necessary.

Suppressed Information in Returns.—When mortality returns are examined certain diseases make themselves evident—e.g. infantile diarrhœa, rickets, tuberculosis; whilst others, such as syphilis or alcoholism, are only to be deduced indirectly from the prevalence of their effects, as shown above in the list of officers' deaths from syphilis.

Certification of death in each case should be in duplicate, one certificate being made out for the relatives, useful for all civil purposes, and the other confidential and officially registered by the medical attendant solely in the interests of national health. No one who has not acted in private practice, or who has not had to handle mortality returns, can appreciate the enormous importance of such a change as this, if truly valuable evidence is not to be continually suppressed. It is, however, not only the private practitioner who has to be protected; the official often has not the liberty to report fully and completely without bias, lest he should give offence. The medical officer of health, as a rule, is worse paid than other corresponding officials. He has to conform to many restraints on his professional work, and time after time may see the fruits of his labours modified by others, who fail to appreciate its drift or value. The routine in which he is plunged comparatively early in life restricts and narrows his views. There is, therefore, all the more reason that attempt should be made to secure able workers by raising the standard through security of tenure, and continuity of official life in any transfers or promotions which may occur from time to time. This does not mean that the idea of the medical officer of health as a kind of professional *Uebermensch*, now being exploited in certain circles, could be otherwise than repugnant to those with actual clinical experience of medical practice, in which the mental factor plays so great a part. Beyond officials themselves this idea of a general State service of medicine finds little professional support. The medical officer of health developed his field when public health was general and impersonal. Now that it is becoming individual and personal the treating doctor alone must take the whole responsibility, and not be tied down in practising his art to the best of his ability. The medical officer of health rarely has either the knowledge or experience of other than his own narrow field. And this general State service, if ever introduced, would have a sterilizing and deadening effect, in which schedules would soon be likely to be more thought of than patients. The true function of a State Department in science or medicine is to collate knowledge and distribute advice. Where more than this has been done the attempt to definitely regulate details of medical work has usually crystallized it, and slowed down or arrested progress, or, as the electrician would say, reduced the whole to a low potential. Existing services inspire little confidence, or may even serve as warnings rather than models for future administrators. Their methods if widely extended would probably seriously harm rather than improve national health.

Conclusion.—The burden of this chapter is that there yet remains great possibilities of improved national health, and actual gain in years and happiness to almost every individual among us, if the conditions are squarely faced and dealt with on an honest and just basis.

Much effort at present is a tinkering with superficial symptoms, whilst the deeply placed basal causes require wide social adjustments. For example, there is the "recruitment of man power"—more births are needed, hence no mother must be penalized in any way who contributes a citizen to the country. All obstacles in the way of maternity must be removed. In this regard the woman with a child is always to be respected, and the chief national concern is healthy maternity and good nursing; for the health and weight of the baby in its earliest years is the all-important object towards which every other concern here is subsidiary.

The conscription of children is necessary to secure a minimum of good treatment for all. It is a sound basis, and experience suggests the only basis, for a high standard ultimately in both education and national health.

Early adult life requires provision for, not suppression of, its needs. The religious and social taboos must be influenced and put to one side, as they tend to drive sexual life underground in early adult life, and are the main causes sustaining prostitution and its dissemination of venereal disease.

Tuberculosis in its pulmonary form, essentially the disease of the worker, requires the patient to be relieved and sustained, his family responsibilities being wholly undertaken until he can resume them without danger.

Drink, which will be sought as long as the present industrial conditions exist, must be so controlled by the State that it will be to no man's interest to make another drink.

The main causes of these failures in national health is the employment of individuals as hands without due regard to other emotional and mental needs, which results in long working hours, without sufficient time for varied exercise, recreation, and sleep.

Bad housing arrangements, the enclosure of lands, game laws, deprivation of the amenities of life, are all contributing to the wearing out of the average English citizen, whose prospects of life in middle age are less than that of those of other countries, or indeed of his immediate forerunners.

Lastly, it is self-evident that all services and commodities necessary for public health should be completely controlled by the community in its own interests and for the benefit of all its members.

CHAPTER XVI

The Care of Child Life

By MARGARET McMILLAN

A GREAT many schemes for helping the children of this country now and after the war are already afoot. Some of these may have the germs of great constructive work that will go far to redeem and exalt our nation out of nearly all its present-day child misery. The part that must be played by the elementary schools and nursery schools has not yet been well defined, but it is clear that these may be prime agents in bringing about hitherto undreamed-of results. I venture, therefore, to make the following observations and proposals, all of which are inspired, not in leisured calm, but in the field of actual daily work among children.

To begin, then, we are to deal not with a section of all the children in the nation, but with the child nation itself. There will have to be a good deal of classifying done by and by, but for all that, in our aims and work we must think of our seven or eight millions of children, of their conditions of life, and life as a whole, and, gathering up the varied factors that go to make up the nurture and lot of the vast majority, think and work out schemes that will meet their needs. In short, we must differentiate, but not at the outset of our survey.

It appears that for the majority of children some degree of medical help and oversight is needed from the beginning. The oft-repeated statement that nearly all children are born healthy needs, perhaps, a little revision. In one nursery or baby camp, 87 babies under three years old, and 70 under eighteen months old, were admitted in one year. Of these, only six children were in a satisfactory state of health. Twenty-two suffered from two distinct ailments, and nine from three. Practically all the children suffered from "debility." Tonsilitis, rickets, rhinitis, dental caries, and bronchitis were common. "It is a hospital!" cried the matron. No, it was not a hospital; it was and is a nursery, and its aims are preventive and educational. But it is well to know from the outset that for the first decade at least a great proportion of all the children in the country must be under medical care. One cannot neglect preventive work, as we have done in the past, and expect to escape from the need of wholesale hospital methods. In any case, it seems likely that for one or two decades our national system of primary education and child-care must be a combination of clinic and school method. Side by side with medical works we have to develop preventive work as an integral part of our whole system of education and home training. To indicate how this may be done is the aim of this chapter.

Keeping in view, then, the need for curative work, and also for preventive work, we have to bring into being agencies that will give effective help to mothers and young children up to and under the age of seven (for we have it as part of our programme that the age of entrance into primary schools will be raised to seven). A great fact meets us on the threshold of the inquiry. We cannot separate mother and child in the first two years of life, pre-natal and infant, without risk and injury to one or both. Too often schemes for dealing with mothers leave out of account her higher nature, her possible dreams, hopes, aspirations, and ambitions in prospect of motherhood, and fasten themselves merely on her physical needs. The English mother does not, perhaps, dream as did the Jewess of giving birth to a World Saviour. But has she no dreams? The public-house, the hoardings, the places of amusement near mean streets, the small, dark, bathless house, the rate of wages—all these things have to be thought of in relation to the women whose impressions and daily *inner* life make up the warp and woof of to-morrow's thinkers and doers. And one of the functions of the nurseries we hope to see brought into existence will be the opening up of new sources of help, inspiration, and sympathy for the expectant and nursing mother, so often confined now within the depressing walls of a very poor home.

For children over a twelvemonth old nurseries are needed, and for exactly the same reason that they are wanted in the homes of the well-to-do. A toddler cannot be kept "good" in a chair or in a little room crowded with furniture. He learns by moving, touching, and exercising his lungs and larynx. He is a great trouble to a busy or languid mother, and even in the homes of the rich it is found necessary to give him a room and a playing space for his own use. From the poor and crowded home he escapes of course when he can. He makes his way into the street, where we now see him in thousands, exposed to every kind of danger, and determined to run every possible risk. Walk down the by-lanes, or even the main thoroughfare, of a poor city area, and you will see the children literally aswarm. A hundred dusty, golden heads tumbling through the doorways, and tiny hands and limbs on the pavement and in the gutter. It is a dreadful sight, and a very shameful one! To see good corn trampled under the feet of careless hogs or straying cattle would be sad. But what is that to the spectacle we see at nearly every street corner of wasted, neglected, and exposed childhood?

There is no reason why this spectacle should disgrace our streets after the war. For already the work of bringing all children under school age within the scope of a scheme of nurture and education is begun and must continue to develop. The Board of Education has taken one great step towards the salvation of young children in giving what is now known as the fourpenny grant. This is a grant of 4d. a day made towards the upkeep of nurseries or crêches that will undertake the proper care of children up to five years old. For three years it has paid this grant, and in doing so has shifted the responsibility for wasted child-life to women's shoulders. The State cannot do everything well, though it can help to an almost unlimited degree in getting things well done. Cheered by its financial help and by the knowledge that the educational system of our country no longer ignores the youngest and most helpless children, the women of England can now, if they will it, establish such nursery-schools on lines that will allow them to have a good influence, not merely on babies, but on all neighbourhoods.

Baby camps or nurseries should be opened if possible very near to a school clinic. If this is done it will not be necessary to have a hospital nurse (though it may be desirable) and more stress may be laid on the health-nursing qualifications of the matron. A small house (with one large room for a reception room) may be all that is wanted, provided there is a large garden or open space behind it. It is quite astonishing to see how, in the most crowded parts of the south-eastern districts of London, these gardens and open spaces do exist behind the narrow streets. Furthermore, there are open spaces and waste lands even in dense and dark areas enough to change the whole character and appearance of many districts. It is surely time to explore these, and to see how and where they can be used to good purpose.

Behind the house and in the garden there must be roomy shelters for wet and cold days. These shelters do not cost much. After the war there should be thousands of willing hands ready to build them. Airy, spacious, and sunny, open on all sides, and with a terrace and garden in front, they make a new world for many children. If the nation thus invested, let us say, two million pounds, we could bring considerably more than half a million children into the open, furnishing them not only with garden ground and shelters, but receiving houses as well. This estimate is made from actual experience of a very difficult kind of camp in a very crowded district and in war time. In view of the great amount of outdoor building that will be left on the Government's hands after the war, however, we could put up the shelters for a much smaller sum, and thus, for the first time in England's history begin to take all her children out of the gutter.

This appears to me the first and the only thing to do as a step towards everything else that can follow. Doles, visiting, notifications (necessary as these are), registrations, and even improved housing, are dead letters so long as the children are in the gutter. Even school clinics, so necessary and with their great field of work always proving now even to the least sympathetic their social value—even these have a limited function, and depend for their usefulness on the existence of some kind of wholesome life within the reach of all young children. This kind of life is not within the reach of millions to-day, and that is why we are spending money vainly. One illustration only I will give of this wastage. At Deptford clinic within three months, over nine hundred children were treated for diseases that are unknown among the well-to-do, and that are unknown also, I may add, in our camps. Nearly all those children were back within eleven weeks with the same or like disease. They had to be treated again (with an expensive drug) and to return once more to the old life and the old seats of infection! Surely such treatment as this has no real "aim." Four thousand large camp nurseries starred all over our big city areas would go far to stamp out the very names of those plagues of early twentieth-century childhood.

The indoor nurseries are doubtless doing a great work; but I think they will all have to become more or less outdoor places in time. Not that a garden makes a camp. As well claim that a flower-pot makes a forest. The camp life has its own way of building, making, playing, teaching, and learning. It is a new life—not a chance experience for fair weather—and it offers a door of escape from many problems as well as from many diseases. Life is difficult in rooms. It is much harder to bring different orders of child or adult together within four walls, as witness the many rules of institutions. But in the spacious, open pavilion through which the air moves freely, and on whose floor dance the leaf shadows of waving trees, life is easier.

Take, for example, the matter of infectious disease. There must, of course, be exclusions from the open-air nursery. The matron, even if medically qualified, should if possible have the help of a doctor always at hand, so as to exclude and isolate if necessary, not only for measles, chicken-pox, and other child illnesses. For dirt and other even more deadly infection cases she has to be on the alert always. Yet work in the open is far less difficult than the work of an indoor matron. She can have isolation places in the open, as *well* as an indoor refuge in time of need. Only a few times in a year do we ever use the indoor room for children who are ill. And as during the first decade after the war such a large number of "medical" cases will have to be handled, it is surely a great thing to know that ground space, not building space, will limit our activities.

An outdoor nursery of from sixty to seventy children should have a matron, a head and an under nurse, and two probationers. If children over five are admitted there should be a kindergarten teacher as well. Two probationers are needed. At least one of the two nurses should have some training in the *mental side* of toddlers and infant life. The same kind of knowledge should, of course, be won by the matron. But where are the schools that give this particular kind of training? In so far as I know they do not yet exist; and one of our first duties is to bring them into existence, and meanwhile to make even our nursing school a kind of training school of a more or less comprehensive kind. It is sad to note how many nurses will wash, comb, feed, and "mind" a child, without, as it seems, ever remembering that he is a struggling little intelligence sadly in need of help; and, on the other hand, our schools have turned out many teachers whose training stops short at every kind of physiological problem of a workaday kind, and who do not "have anything to do" with bodies, but only with the teaching of subjects.

A teacher in the open should be able to look at every new problem from a wider standpoint. In order to illustrate this let me give one or two examples. L—— enters our school in a very sad condition. She is two years old, but can hardly stand. She has been minded by an old woman who kept her in a chair drawn tightly up to a table. Her wrists are so weak that she cannot hold, still less pick up anything. One leg is twisted. She suffers from rhinitis, and her mouth is always open. Yet this child is eager to live and to enjoy.

A nurse can do more than feed, wash, and tend L——. She can, without great trouble, help her to use her limbs, to crawl, stand, walk, and climb. She can lead her out among the tall flowers, and give her long-denied nervous system the delicious shock of a new joy. With a little help and encouragement those limp hands will pull out a weed, lift a branch or stone, and put on L——'s coat. And those long silent lips, that already make new noises in the garden, may be trained to speak.

How much *help* is needed by the one and two years old one realizes only after watching them long and carefully in a garden. To-day the soft September light shines down on our camp and down the paths, and in the herb-garden are the tiny blue-and-pink pinafored creatures. There is a good deal of distress amongst these and some boredom, because, owing to the absence of a nurse-teacher, they are alone. Here is Sam, who is tired of running and has exhausted the resources of the cabbage patch. If *she* was here he would do a great many things. Bring a flower, for example, and match it with another, tell its colour and even enter on the (to him) formidable task of naming it. He is learning to speak now, and makes good progress. Left to himself he would fall behind. He is a little backward, as most of our children are, solely by reason of being more or less abandoned.

Here is an older group of three- and four-year-olds. It goes without saying that they should be alone sometimes. Reverie is as necessary and natural to them as sleep. But they must waken more fully at times. They are often eager to *listen* as well as to *talk*, to look with another at pictures, to watch the green flies and bees, and to name things. *They want a big friend* who knows about caterpillars. Without her they will tear flowers and hurt the creatures they find, but hardly get to love them. In the herb-garden it is the same old story. Some one must go round at first to pinch with them the odorous leaves, to lift them where they can stand up to the knees in mignonette, and to name the wonders of the new world.

It may seem trivial to the pre-war thinkers that we should write of the value of weed-pulling for toddlers, of mug-washing and knot-tying, of handkerchief drills and tooth-brush drills, of talks and pictures and the naming of things, of lip drill and singing, and the pinching of odorous herbs in the herb-garden, of the putting on and off of lids, the mere tearing up of things, the guessing games with velvet, silk, and calico balls, and all that love can imagine of companionship for a young and groping intelligence. But what are we trying to get but help for young intelligences. And never have I seen so much distress and waste of opportunity for lack of all this as among the toddlers of the baby camp!

Then we need joy in the camp, and seeing the distress and arrest that the want of all this help brings I think it no shame to write of it in some detail. I think it necessary, too, that nurses should speak good English and also that they should *sing*. Why should we have lullabies in every language yet never mention *singing* in connection with public crêches? In the open air, under the trees and among sweet herbs and blowing flowers, surely we should hear singing? And we *shall* hear it! For though children are easily silenced in a house, they *will* sing in the open. The only question is whether we can banish the vulgar street song with something better!

A word now as to the probationers. If possible, these should be girls trained in a camp school, and with the love of the open in their veins. These, even at the age of fifteen, show far more initiative and resource than the ordinary schoolgirl or even the ordinary young nurse. They have shed all kinds of obscure fears and weaknesses, bred of a close, indoor life, and have a far better command of themselves and their own powers. All this is not a matter of opinion. It is a fact proven and re-proven in the storm and stress of daily work.

Unfortunately there are very few camp schools to-day. And this brings me to the second part of the chapter.

The pre-war type of elementary school has broken down. It is forty-six years old and was known for at least thirty years to be even at its best (and its best is wonderfully good) too sadly handicapped to offer a solution. The business man found it out very soon; the professional classes helped to pay for it while shrugging their shoulders; and the working-class parent had serious doubt. But now this failure is not merely openly proved, it is freely acknowledged. The work of the School Clinic has set all the misery and suffering of children in a blazing light, and given us facts (such as I have given above) that close the lips of its boldest friends.

Six years ago I opened a school for children of normal type who for one reason or another had come to the clinic suffering from weakness, anæmia, languor, and a general failure of vitality and power to carry on any more. Among these were scholarship children, and others besides these were probably bright and even gifted. Some were backward. Nearly all spoke English very badly, and had little or no initiative of any kind in work or in play. Nearly all had more or less serious nervous troubles, and few, if any, would ever (as things were) win through to any kind of successful manhood or womanhood.

It was clear, almost from the first, that all this falling away was the result of something that was wrong, not in the school, however, but in the home, and of things that happened not in the day but in the night. "Ah," the pre-war critic, "then it was not the school's failing, after all!" To this we answer: "What is the function of a school? Is it to work under any kind of circumstances and with no eye to its tools?" Yet the pre-war school did this, and that is why it failed.

We began by making our school a *real* night school. The children slept out summer and winter. A very few slept out even at the week-ends, but most went home on Saturday nights. The schools were close to their homes; indeed, it was a kind of quadrangle with the back windows of homes ranged down two sides, and our aim was to make it as far as possible an extension of the home sleeping-rooms and backyards. Every boy (and every girl, for we had a girl camp) had his own towel, night clothes, tooth and nail brushes, etc., and locker, and every one had a hot bath and cold shower daily as part of his treatment. In summer they went barefooted in camp, and the boys wore jerseys and cotton smock-overall. The girls wore gymnastic costumes made by themselves at a cost of about 3s. (which they paid in weekly instalments of 2d.).

Breakfast and supper were provided in camp, and these meals were prepared by the children with a little help (in mixing puddings and making soup) from the night guardian and nurse. With this humble setting of a life that had everything essential to growth and progress, we opened our two night camps and our schools, which were held in the ground and shelters of the boys' camp.

Out in the pure, free-blowing night air a new influence touched the pale cellar-plants that we had gathered into our night shelters. Dr. Eder reported a great improvement in the nervous cases. The teachers noted a new steadiness, cleaner and less trivial talk, and a sudden and complete disappearance of all the dirt diseases and symptoms! Many, indeed, soared above all that is most doleful in the life of yesterday. We " grew " charming, clear-eyed maidens, who spoke fair English and make ideal nurses in the baby camp. The boys got sturdy, and played the game, and all had a peach-like bloom and the restraint of those whose life is deepening. Visitors gazed at out-campers and refused to believe that they came from poor streets. We gave remedial drill, and there was much bathing and playing of games. We also gave " home work "—that is, preparation to be done *alone* every evening in camp. The learning by doing, so much praised by Froebel, is not possible in most homes, and is not expected in most schools. That is why the children do not learn to work, while the parents are very indignant that any one should expect them to tackle anything alone. Teachers are to pour in knowledge for five hours per day—that is " education " according to the pre-war elementary school. We made war on this idea; war, and no quarter. We expected and required all our children to work alone. Also to speak and write decent English, and (as an aid to this) we taught a second language. We lived in an historic neighbourhood, and with tales, songs, and drama wakened the children to some kind of emotional interest in the life-story and sites where they are brought up. But once health was established we went in for a quicker pace in mental work. There was home-work and it was done. The classes were small, not over twenty-five, but the results were something of a revelation. We were not "inspected," so I cannot write of that. Of nurture, however, we can write, for the clinic doctors inspected regularly and often.

"The experiment succeeded," writes one of the doctors, "far beyond any expectation of ours." Another writes as follows: "The change in the appearance of the girls is very remarkable. I am struck by the great neatness and cleanliness in the clothing, hair, and whole person. They bear themselves in a perfectly new way. Their voices, manner of speech, and carriage are entirely changed. Sallowness and pallor have given place to healthy bloom." From the testimony of the Danish authority, Dr. Paul Hertz, in "School Hygiene," I quote the following extract: "I was struck by the fresh and healthy appearance of the children in the Deptford camps, and I cannot forbear to state here my opinion that the simple principles on which these camps are erected possess a far greater value for raising the health standard of weakened and debilitated children than the open-air schools on the principles of Charlottenburg school. The complexion and bodily conditions of the children in the open-air schools I visited in England was essentially inferior to that of the children I saw in Miss McMillan's camp, and that in spite of the far poorer conditions of the camps in respect of surroundings, air, and all apparatus, than in the case of the open-air schools. I have the conviction that this effect must be attributed to the children's removal from the overcrowded slums and their sleeping at night in the open air. Certainly it would be no disadvantage if the Charlottenburg system were given up and Miss McMillan's camps universally adopted."

Certainly it is no desire to hear my own schools praised that makes me willing to quote these words. I have pointed out the fact that already a great deal of money is wasted in the buying of drugs that are only useful in warding off pain for a little time. But let us think now of the probable waste of money that goes on through a system of scholarships that is founded not on any real knowledge of the environment of the children but on almost complete ignorance of their actual circumstances, as well as of their latent powers. We provide much the same kind of school for all orders of children. The well-to-do go to well-built, substantial schools, and sit, in large classes, under teachers trained in a definite way. The bathless, ragged, hungry child who sleeps in a bed with five other persons goes to the same kind of school, and has the same kind of school life.[1]

The lot of millions of children lies outside all the plans and aims of yesterday's primary schools. Yesterday the little voyager was kept afloat by means of school meals, etc. It could never lead him into harbour. It was never planned nor constructed for that.

Even in the camp school every new child is a problem for a time, not only to his teacher, but to the doctor: and it is only by daily observation that some idea can be formed of what he can really become or do. There are exceptions, of course. Some children do well under almost any conditions. They are exceptions. (And the "doing well" at examinations is not always a real development at all. In some cases it is a forced growth that stops soon and arrives at nothing.) It is the normal child, the child in the street, who is variable, chameleon-like, giving or withholding himself according to his surroundings. There are millions of children who do not and cannot profit fully by anything done in schools to-day, because home life *attacks* all that and destroys it !

And all this is so needless. In the camp school *no* child is bathless, or hungry, or deserted after school-hours. No one goes without enough sleep, or breathes bad air, or wears dirty clothing. No one shares another's bed, or does work for hire and overtaxes his strength. And no one can escape the influence of teachers and guardians, who have a goal that is kept in view at all hours—in lesson hours, but also in the early morning, in winter and summer, at midnight and twilight, in visits home (daily and at week-ends), in play and preparation, in work and study. That is the only kind of school that can save at least two out of our eight millions of children. And for at least one-half of them all it is the school that can best ensure health and a higher order of intelligence.

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[1] There is a quotation from Dr. Eder, in the Fourth Report of the Deptford Health Centre :—

"An inquiry is being made into the sleeping habits of children and the nervous affections engendered by overcrowding. A very large number of children, up to the end of school age, sleep two or three in the same bed. I have cases of five and four in the same bed. Certain nervous affections are, in my opinion, engendered by this habit. When the child is allowed to have a separate bed these symptoms are not infrequently allayed. . . . Much cannot be expected when the change is made at a late age.

"The open-air camp school with its separate bed for each child has helped very much in some cases."

What would it cost? This is a question which we are now in a position to answer fully and in detail. The building of camp-shelters is not costly. A large shelter serving sixty children as dormitory, and eighty to a hundred as classroom, would not in pre-war days cost over £150. A bathroom, with hot-water boiler attached, could be built for under £40. The drainage was £50. (In the babies' camp the drainage cost over £100. The building cost of the three shelters, to take seventy children, was about £180. The problem is one for the more advanced orders of architects. Many existing school buildings could be adapted, terraces run up and covered ways, and walls lowered or removed. Above all, the many open-spaces (not refuse pitches) in poor areas, should be cleaned, part concreted, and made into smaller camps, with waste ground laid under cultivation. War tents, huts, and shelters, most of which may be scrapped, could be bought in large quantities by the education authorities as raw material or even as ready-made buildings. At the back of all the three Deptford camps (girls', babies', and boys' night camp) there are large vacant spaces, in one of which three hundred boys or girls could sleep in night camps! In short, there is hardly any building problem.

A much more difficult thing is the staff question—though that also may be more easily met now than at any former time. The camp needs a double staff, but not a double staff of teachers. The night guardian has a different function from that of the day-teacher, and he will work, we hope, under the eye of the doctor and also of headmasters and mistresses. He has to give a home atmosphere to the camp, and to be a hygienist. He must be a lover of games and outdoor life, and yet know the value of study *alone* in the evening or early morning. It seems to me that among the many naval and military men, unfitted perhaps for "active service" in the field or on the sea, there may be found many who could do great service to their country in taking night-camp work. One man could take forty to fifty boys. In camp the principal can have the help of older children as monitors.

The day school might be fed from three or even more night camps. The classes should not be over thirty if the best results are to be hoped for, and this brings us to the question of salaries. The country needs an army of two hundred thousand elementary teachers. Of these at least twenty thousand should be specialists in remedial drill, and an equal number specialists in other subjects. The nation should be prepared to spend £40,000,000 per annum on teachers' and nurses' and guardians' salaries now. Later it may find a great advantage in spending a great deal more —for these, if efficient, will cut directly and rapidly at the very root causes of terrible disease, misery, poverty, and waste.

Finally, the new age requires a new outlook, for it unveils new horizons. Not by mere tinkering at age-long evils can it hope to unseal the well-springs of a new world. We have spent much time in gathering statistics, in comparing "methods," and also in a great variety of pettifogging reforms. The time for such work is over. Through the dimness that is our past and the cloud of storm and blood that lies just behind us glances something that is more precious than anything that we hoped for and aspired to. It is the hope of the generations to follow, the dazzling, undreamed-of joy that echoes through the footfalls of colossal failure and sorrow.

CHAPTER XVII

Unsolved Problems of the English Poor Law

By Sir WILLIAM CHANCE, Bart., M.A.

ALL thinking persons, especially those interested in social and economic subjects, are sensible that things in this country cannot be the same after the war as they were before, and that the whole of our national institutions and way of living will be then subjected to the closest scrutiny. Not to speak of the future relations of our country to the great Dominions and Dependencies of the Empire and to foreign countries, internal questions, fiscal, land, parliamentary reform, national education, public relief, to mention only some of the most important ones, cannot escape it. It has fallen to my lot to deal with the subject of Public Relief in this chapter, and to suggest in what way its administration—for its principles are sound and well founded—may be brought into line with other great changes in our political and social life.

Were I writing some twenty-five years ago I should have said, what in fact I then thought, that the problem of the Poor Law had been solved, and I should have pointed to the great decrease of general pauperism which the country had witnessed since the great Reform of 1834, and especially to the decrease of able-bodied pauperism. A decrease in general pauperism from 62·7 per 1,000 of population in 1849 to 25·6 in 1892, and in able-bodied pauperism of from 13·2 to 3·2 per 1,000 of population during the same period, seemed to me to show that the new Poor Law had been successful beyond all expectation, and that it was only necessary to continue the then existing system for the pauperism of the country to be reduced still further.[1]

In 1892 the expenditure in relief per head of population stood at the same figure—viz. 6s. 1d.—as in 1844, and this in spite of the enormous improvement which had taken place in institutional relief during these forty-eight years. But, in spite of such evidences of progress in the depauperization of the nation, the principles on which the Poor Law is based were subjected to the most violent attacks by ill-informed critics. Its administration was described as "scandalously harsh to those who have the misfortune to be driven to accept the pauper dole." "The ruling classes have deliberately made the lot of these poorer citizens so degraded that the more sensitive will die lingering deaths rather than submit to it, whilst others prefer going to gaol." "After fifty years of trial it [the Poor Law] has failed to extinguish pauperism and destitution. It succeeds in obviating any but a few cases of direct starvation; but it does not prevent a widespread demoralization. It often fails to secure the children from a life of pauperism and the aged from public disgrace. More important than all, it fails utterly in its chief and most important purpose, of encouraging the provident and the worthy, and discouraging the spendthrift and the drunkard. It is indeed now coming to be denounced by experienced philanthropists as the greatest of all the existing hindrances to provident saving, and an instrument of serious degeneration of character among the English people."

The pamphlet[2] from which the above extract is taken appeared at the time when the doctrine of *laissez faire* had come into bad odour, and when the help of the State, other

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[1] The actual figures are as follows:—Average daily number of paupers of all classes during the years ended at Lady Day 1849 and 1892 ("Mean Pauperism")—

(1) *All Classes of Paupers.*

	Indoor Paupers.	Rate per 1,000 of Estimated Population.	Outdoor Paupers.	Rate per 1,000 of Estimated Population.	Total Paupers.	Rate per 1,000 of Estimated Population
Year 1848–49	133,513	7·7	955,146	55·0	1,088,659	62·7
,, 1891–92	186,607	6·4	558,150	19·2	744,757	25·6
(2) *Able-bodied Paupers, excluding Vagrants.*						
Year 1848–49	26,558	1·5	202,265	11·7	228,823	13·2
,, 1891–92	26,392	0·9	66,073	2·3	92,465	3·2

[2] "The Reform of the Poor Law," Fabian Tract No. 173, by Sidney Webb (1891).

than in the form of a carefully restricted system of public assistance, was being invoked in many directions "to secure a greater protection for the poor against the rapacity of the rich, for the workman against the tyranny of his employer, for the child against the neglect of its parents." The extension of the franchise in 1884 strengthened the hands of those who put themselves forward as the special champions of the downtrodden classes, and gave rise to the legislation which came to be described as "socialistic." Politicians of both the great parties strove which could outbid the other for the popular vote. New relief agencies were established to do work which it was thought unadvisable to leave to the Poor Law, mainly because it was so "unpopular." As a consequence, omitting the very great rise in the cost of education since 1892,[1] these new agencies are responsible for an addition of fully £20,000,000 a year to the taxation of the country; and, instead of Poor Law expenditure being reduced thereby, it actually increased from nearly £9,000,000 in 1892 to over £15,000,000 in 1914. As to the number of paupers of all classes, their mean number increased from 744,575 in 1892 to 916,377 in 1910, while able-bodied pauperism rose during the same period from 92,465 to 126,629. It is impossible to make any fair comparison of the latest figures of pauperism with those of 1910 or of previous years on account of the effect produced by the Old Age Pensions Act, which in 1911 transferred a number of aged paupers from the Poor Law to the Pension authorities, so I shall not attempt to do so.

I. THE POOR LAW COMMISSION OF 1905.

Having regard, then, to the increase of pauperism and of poor relief expenditure during the years following 1892, it was not surprising that a Royal Commission should have been appointed at the close of 1905, which was directed to inquire into the working of the Poor Laws and into the various means which had been adopted outside of those Laws for meeting distress arising from want of employment, particularly during periods of severe industrial depression, and also to consider and report whether any modification or change in their administration or fresh legislation for dealing with distress were advisable. This Commission sat for just over three years, issued its Report in February 1909, and was not unanimous, four of its members signing a Minority Report. The Majority Report practically stood to the principles of 1834, but recommended an entire change in administration, which was, however, dissented from by Miss Octavia Hill and Dr. (now Sir Arthur) Downes, while the Minority Report advocated an entire break up of the existing Poor Law, and the transfer of all relief work, except that connected with the relief of the able-bodied and vagrants,[1] to the various Committees of County Councils.[2]

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[1] The cost of public education in England and Wales rose from £4,838,120 in 1892 to £29,700,273 in 1912.

I do not propose to enlarge on the extraordinary confusion and overlapping of public relief which would result if the recommendations of the Minority Report were adopted, even assuming that they were practical. It is sufficient to refer my readers to some of the numerous criticisms of it which have been published.[3] It is not surprising that Socialists are loud in their praises of it. It carries out their ideal of bureaucratic government, and Mr. H. G. Wells, in "New Worlds for Old," welcomed it with ecstasy as follows: "The Minority Report, boldly planned and magnificently done, expresses just that deliberately constructive Socialism which I have always advocated. I adopt the Minority Report as my banner."

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[1] "For these there should be a new authority of *national scope* and a Government Department organizing Labour Exchanges all over the kingdom, developing a system of insurance against unemployment, doing what is possible to regularize seasonal and casual labour, and providing for all sections of able-bodied men in distress whatever colonies and training may be required" ("An Outline of the Proposal to Break Up the Poor Law," published by The National Committee to Promote the Breaking Up of the Poor Law).

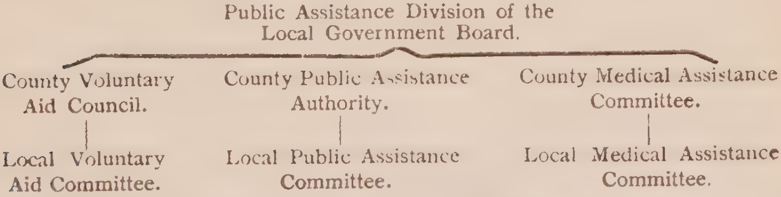
[2] In "English Poor Law Policy," by Mr. and Mrs. Sidney Webb (Mrs. Webb having been one of the signatories to the Minority Report), the authors claim that the Majority Report abandoned the principles of 1834 altogether, and adhered to those of 1907. In other words, they make the extraordinary claim that what they call "the principles of 1907," i.e. the principles laid down by themselves, are accepted by the Majority Report (see pages 204 to 207 of their book)! The comments contained in Part III of the Majority Report (pp. 71–80) on the principles of 1843 *taken as a whole* give no support to such a statement, as any careful reader must admit. It is indeed stated (p. 80 of the Report) that the "less eligibility" principle was intended by the reformers of the Old Poor Law to apply to able-bodied only. But such a statement is not supported, indeed it is definitely contradicted, by an extract from the Report of 1834, given on p. 74, which says "throughout the evidence it is shown, that in proportion as the condition of *any* pauper class [the italics are my own] is elevated above the condition of independent labourers, the condition of the independent classes is depressed, their industry is impaired, their employment becomes unsteady, and its remuneration in wages is diminished." There is no doubt that the reformers of 1832 were mainly interested in restoring the able-bodied pauper of that time to independence, and so devoted their main efforts to secure that desirable result, but the "less eligibility" principle was never meant to be applied to that class only.

[3] The Minority Report. "A Criticism" (P. S. King & Son, 1910); "The Poor Law Indispensable," by Mr. Gladstone Walker (The Poor Law Publications

II. The Majority Report.

The Majority Report, on the other hand, deserves the most serious consideration. Its great merit lies in its directing attention to the pressing need of the consolidation of all public relief under one Central Authority, which it recommended should be a "Public Assistance Division" of the Local Government Board. We need not quarrel over the new term "Public Assistance" to replace the present one of "Poor Relief." Where the great difference of opinion exists is about the local authorities who are to administer it; indeed, it was on this point that all the Majority Commissioners could not agree.[1]

The Report recommended that these authorities should be the County and County Borough Councils, working through Statutory Public Assistance Authorities, constituted in much the same way as County Education Committees now are. Boards of Guardians were to be abolished and replaced by Public Assistance Committees, appointed by and working under each Statutory Authority. Side by side with these new bodies were to be established Voluntary Aid Councils and Committees and County and Local Medical Assistance Committees. This new administrative machinery will be more clearly understood by the following diagram:


Public Assistance Division of the Local Government Board.
County Voluntary Aid Council.
County Public Assistance Authority.
County Medical Assistance Committee.
Local Voluntary Aid Committee.
Local Public Assistance Committee.
Local Medical Assistance Committee.

Company, 1914); Papers read at Poor Law Conferences—e.g. by Mr. A. F. Vulliamy (Central Poor Law Conference, 1910), by Rev. S. Morgan (South Wales District Conference, 1910), and by Mr. T. Hancock Nunn (Yorkshire District Conference, 1910).

[1] See the Memoranda attached to the Report of the late Miss Octavia Hill and Sir Arthur Downes on this point.

The great idea underlying the new scheme was, of course, to secure a better relief organization by bringing all the various agencies of public and private charity into close connection with one another, with a view to better co-operation between them in every branch of relief work, and to prevent overlapping. The Majority Commissioners, however, accepted the proposals of the Royal Commission on the Care and Control of the Feeble-minded, and did not suggest, as in the case of those of the Departmental Committee on Vagrancy, that, before any action was taken upon them, the Government should carefully consider the effect of their own proposals for the reorganization of the Poor Law system. As the Old Age Pensions Act of 1908 came into force before their Report appeared, the subject was removed from their cognizance, and we can only guess what their recommendations would have been on the subject.

III. Mr. Charles Booth's Scheme.

Mr. Charles Booth, who was a member of the Poor Law Commission until his forced retirement from it owing to ill-health before it had concluded its work, prepared Memoranda (printed in Volume XII of the Appendix to the Report) outlining another scheme of Poor Law Reform.[1] He retained the present parish area as the Unit of each Union, and the existing Unions as the Units for grouping under District Poor Law Boards, with direct *ad hoc* election by ratepayers. By this means he thought the consolidation of all public relief, on which he laid great stress, could be secured. These District Boards were to be elected by the ratepayers of each constituent Union, and a certain number of residential nominees of the Local Government Board were to be added to each Board. They would take over all the duties and liabilities of the present Board of Guardians, together with all existing Poor Law Institutions. But any duties not specially connected with Poor Law administration (such as vaccination, registration of births, and valuation for assessment) would be transferred to the appropriate authority, so that the administration of the Poor Law should be the sole work of the Boards. London, for example, was to be under one of these Poor Law Boards.

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[1] These Memoranda have been republished in book form, with very little alteration, by Macmillan & Co. under the title of "Poor Law Reform." (New Issue, 1911.)

If such Boards were established, he saw no reason why the care of lunatics, mental defectives, vagrants, and the unemployed should not be left to them to provide for. Sir Arthur Downes, who was one of the signatories to this Majority Report, but who was wholly opposed to the administrative changes in the system of poor relief which it recommended, appears to favour Mr. Booth's proposals in his Memorandum, and there can be no doubt that their adoption would get over many difficulties in the way of securing the consolidation of all public relief under one authority, which seems to me to be so desirable. It must be noted that the scheme is designed to preserve the existing Poor Law fabric, instead of destroying it root and branch.

IV. THE SCHEME OF THE NATIONAL COMMITTEE FOR POOR LAW REFORM.

This scheme was formulated in 1908 by the British Constitution Association, and a National Committee for Poor Law Reform was established to bring it to the public notice.[1] It went strongly for the consolidation of all Poor Law work, under one central and separate authority. It recognized that the administration of the present Poor Law system was unsatisfactory, but that it could be set right and made more efficient without any revolutionary changes. The present *ad hoc* Poor Law Authorities were to be preserved, and the recommendations of the Majority Commissioners that the relief of the unemployed and the feeding of necessitous school children should be again brought within the province of the Poor Law were supported. The scheme also suggested that Boards of Guardians might be strengthened by giving to the County Councils and other statutory authorities the right to appoint representatives on to all Boards of Guardians within their areas. It further suggested that Boards of Guardians should be continuous, a proportion only of the members retiring at each election. Close relations between the official administration of the Poor Law and local charitable bodies should be brought about by the establishment of central registries as recommended in the Minute of the Poor Law Board of the 20th November 1869.

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[1] The Scheme has been published in pamphlet form under the title of "Poor Law Reform not Revolution" (British Constitution Association, 11 Tothill Street, S.W., 3d.), and is also dealt with in "Poor Law Reform, via Tertia," by the present writer (P. S. King & Son, 1s. net).

V. DEFECTS OF THE PRESENT POOR LAW SYSTEM, AND THE REMEDIES.

The proposals for the administrative reform of the Poor Law were, of course, based on certain glaring defects which the Report of the Poor Law Commission brought to light. Some of these defects have since been remedied, following upon recommendations made in the Report, and I hope to show that remaining ones can be remedied without destroying the whole Poor Law fabric.

For some of the defects Boards of Guardians were not in any way responsible. Such arise from (1) the size of many Boards, (2) the qualifications for election of Guardians, (3) the system of their retirement from office, and (4) the want of a better classification of the indoor poor. Defects for which Guardians may be considered responsible arise from neglect in carrying out what are generally considered to be sound principles of relief, but they could be cured by a freer use of the great powers which the Central Authority possesses to ensure good relief administration.

1. *Defects for which Boards of Guardians cannot be considered responsible.*

(a) *Size of Boards.*—There can be no doubt that this is an adverse influence to good administration. At the present time two Unions have each 103 Guardians, while 242 Unions out of 643 have more than 40.[1] The Unions thus over-represented are mostly rural ones with a large number of separate parishes, each of which must have one Guardian at least.[2] If, as recommended by the Poor Law Commission, it was left to County Councils or the Public Assistance Authorities to appoint the Local Committees which were intended to be set up in the place of Board of Guardians, it would be easy to limit the number of members to a reasonable amount. Under the scheme of

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[1] One Union has 90 Guardians; eight from 80 to 90; twelve from 70 to 80; twenty-eight from 60 to 70; and sixty-two from 50 to 60; the remaining 131 Unions having between 40 to 50 Guardians.

[2] In rural parishes the district councillor for the parish acts as Guardian, there being since the Local Government Act of 1894 no separate elections for the office in these parishes.

Mr. Charles Booth, too, the problem could be easily solved, because he would have the election of Rural Guardians again separated from those of Rural District Committees, and an amalgamation of parishes for the purpose of limiting their number. It is undoubtedly a defect of the scheme of the National Committee for Poor Law Reform that it does not deal with this very important question. But as a matter of fact the abnormal and unnecessary size of many Boards arises from the fact of Urban Districts which elect Guardians *ad hoc* being often grossly over-represented on the Union Boards, and there ought to be little difficulty in reducing their representation to more moderate proportions. It might also be possible without again resorting to the *ad hoc* election of Guardians in every Union, and so necessitating an amendment of the Local Government Act of 1894, to amalgamate the small rural parishes with adjoining ones for the purpose of the election of Rural District Councillors, and so reduce the number of Guardians representing rural parishes. But the arguments for returning to the old system of electing Guardians *ad hoc* and for separating Poor Law entirely from other administrative work seem to me to be so strong that it would be better to amend the Act of 1894 in this regard, if the necessary reform would not be effected in any other way.

(b) *Qualifications for Election as Guardians.*—However desirable it may be considered to alter the present law under this head, it is questionable whether, in this democratic age, any Parliament would venture to do so. As a matter of fact, it is doubtful whether the alleged evils of the present system are nearly so great as represented. Further, the relief orders of the Central Authority afford a considerable protection against the abuse of Guardians' powers in the matter of relief. In the Majority Report the farmer class of Guardians is especially attacked. It is said that farmers are always against any change which is going to cost money. "They always look at every penny they pay in rates very keenly, and they come in and oppose expenditure of all kinds." But is it proposed, and if so how, to disqualify farmers from sitting on Boards of Guardians, or even on the new bodies which it is proposed should replace these Boards? And the same witness quoted in the Report admits that in spite of a farmer's opposition he generally has to give way in the end, so that, after all, the desired reform is only delayed for a time. Compare our Poor Law institutions and their staffs with what they were fifty years ago. Progress may have been *slow*, but is it not possible that it may have been *sure* as well? The suggestions of the National Committee for Poor Law Reform would, I think, work far more effectively than the setting up of new and non-elected authorities as a remedy for the evils under this head to which the Majority Report calls attention. That Committee was of opinion that the Local Authority should be elected by those who contribute the funds to be administered, and that the democratic principle of elections should be preserved, but in conjunction with effective safeguards enforced by a non-elected Central Authority. Any disadvantages arising from a popular electoral system might be minimized—

(*a*) By the authoritative publication of a clear statement of the law—in other words, a simple and intelligible abstract or *précis* of the Acts, rules, and regulations in force ;

(*b*) By more frequent inspection on behalf of the Central Authority by inspectors trained in the details of administration and having a knowledge both of the law and the economic principles which underlie it ;

(*c*) By the decisions of the auditor being upheld by the Central Authority when they are found to be in accordance with the law ; for the constant remission of illegal expenditure has a demoralizing effect upon the auditors, as well as upon the Guardians and their officials.

(*d*) By enforcing responsibility on all who have sanctioned an illegal expenditure by vote or otherwise, and not merely on those signing the cheque ;

And (*e*) by the appointment of relieving officers who have previously passed an examination, both written and oral, conducted by some qualified authority, upon the work and duties of their office.

(c) *Retirement from Office*.—In order to get the best relief administration it is desirable that a proportion only of the members of a Board of Guardians should retire at one time. A Board holds office for three years, and then it must retire as a whole, but a County Council may order that a third or as near that number as possible of the members shall retire at the end of each year. By this expedient continuity is secured, and a sudden change of relief policy prevented, and it would be well if this method of retirement was made universal.

(d) *Classification of Paupers by Institutions.*—For many years after the Poor Law was reformed in 1832 and workhouses had been established, the classification of the inmates was carried out in the workhouse itself under the orders and regulations of the Central Authority.[1]

But during the last forty years great changes have taken place. Country workhouses have become the last refuge of many aged, non-able-bodied, and sick persons. Very few really able-bodied persons resort to them. In the town workhouse, where a certain number of able-bodied paupers have to be provided for, the size of the buildings and the separate infirmary enable these and the other classes of inmates to be kept separate. Further, in both Urban and Rural Unions alike, children over three years of age must be housed in buildings separated from the workhouse proper, where they are not already otherwise provided for separately, and their scholastic education is now under the control of the Education Authorities. Again, much use is made by Boards of Guardians of special institutions for the mentally and physically unfit, sane epileptics, the blind, the deaf and dumb, and other special cases, while in some parts of the country the Unions have combined for the purpose of providing separate accommodation themselves for mental defectives and sane epileptics.

But, if it is considered advisable to divide the country into districts (not necessarily by counties) and to set aside as many of the Poor Law institutions in each district as may be required for the reception of different classes of the indoor poor chargeable to the Unions in the district, there are ways of effecting this reform under the existing law without any change of authority. But I doubt whether, outside London, this is either advisable, necessary, economical, or in the real interest of the *ordinary* workhouse inmate. For the wants of special classes of paupers, such as the able-bodied and those above mentioned, districts might be formed, each with much the same population, and a body consisting of representatives of all the Boards within each district, appointed on the lines of the Metropolitan Asylums Board, and charged with much the same duties. At the same time, a Common Poor Fund might be established in each district, as has been done in London, so as to spread the cost of the improved system as evenly as possible over the whole district. This reform would, to my mind, be more effective than any system of classification of workhouses, as recommended in the Majority Report, and would enable the bringing under the Poor Law (or Public Assistance, if this term be preferred) every kind of public relief work. If a Common Poor Fund were established in each Poor Law district as suggested, then it could also be credited with the Exchequer grant for distribution among the combined Unions in accordance with fixed rules.

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[1] I have found it convenient to use the old term "Workhouse" instead of "Institution" throughout this chapter.

2. *Defects for which Boards of Guardians are Responsible.*—Although the Poor Law orders and regulations are very precise as to the treatment of any person after he has once been admitted into a Poor Law institution, they allow Boards of Guardians a fairly free hand in deciding whether to grant indoor or outdoor relief, and as to the amount of outdoor relief to be given. The consequence of this is that while we find a very small variation in the ratios of the numbers of persons in receipt of indoor relief to population at any particular date in Unions of a similar character, the variations in the corresponding ratios of outdoor pauperism may be very great indeed. In some Unions the only outdoor paupers are a few in receipt of medical relief only ; in another Union of a similar type they may be numbered by hundreds. This difference is brought about by different ideas as to what policy ought to be followed in the grant of relief. One Board may act on the "workhouse test" principle, and practically offer the relief of the "House" to every applicant ; another may cause very careful inquiries to be made into the position, means, and mode of life of an applicant before granting outdoor relief ; while a third may have got into the habit of making it the rule to grant it "because it would be so hard to compel the applicant with his family" to come into the workhouse, or because they labour under the entirely wrong impression that it is the cheaper course to adopt.

Nowadays, I think, the majority of Boards of Guardians adopt the middle course, and more and more are coming to accept the principle that it is unjust to the ratepayers—many of whom may be as badly off as the applicant for relief himself—to grant relief, whether indoor or outdoor, to any one until after the most careful inquiry and consideration has been made or given as to the character of himself and his family, as to whether the relief is really wanted, and as to the best form in which to give it. Further than this, it is becoming more general, if outdoor relief is given, not to give it according to a fixed scale, but to make it really adequate to relieve distress according to the circumstances of each case.

During the last thirty years of the nineteenth century the fight between those who held to the workhouse test principle and those who opposed it as harsh and unjust upon applicants for relief was a keen one, and the question was a "hardy annual" at Poor Law Conferences. The former could point to the great decrease of both indoor and outdoor pauperism which had followed upon the practical abolition of outdoor relief, to the greater content of the wage-earning classes, to the increase in the membership of friendly and provident societies, and to a stirring up of well-organized voluntary effort to help those who might really suffer unjustly under the policy adopted. And although there are still Unions where the relief administration is based on the opposite principle of making outdoor relief the rule and indoor relief the exception, their number is, as I have said, diminishing; while those Boards which adopt the *via media* policy of relief—that is, taking every care to cause careful inquiries to be made before any relief is granted at all, and then deciding as to whether it is best to offer relief in the workhouse or to give outdoor relief, and finally if outdoor relief is granted to see that it is adequate to relieve the distress—now form the vast majority. The statistical results of such a policy approach very nearly to those of the "test of the workhouse" policy. Further, because the poor themselves can and do understand and appreciate it, this system of careful inquiry before relief given is probably the wisest one to adopt at the present day, and it has been much encouraged and supported by the orders and circulars of the Local Government Board, which followed closely upon the Report of the Royal Commission. Thus pay-stations have been done away with in country Unions and any outdoor relief is taken to the home; the case-paper system has been generally established; more care is taken in the appointment of relieving officers; permanent relief has been done away with, and every case where relief is given at the home has to be reconsidered at short intervals.

No doubt much more remains to be done by Boards of Guardians to improve the work of relief, but it is doubtful whether a change of authority would expedite the improvement. In many Unions it would be impossible to better the present relief administration, and their example and its beneficial results act as a spur to other Boards of Guardians to follow suit. At no time in the history of the Poor Law has more attention been given to the necessity of close co-operation between the Poor Law and voluntary relief agencies if the best results are to be obtained. It is quite common now for Boards of Guardians to help willingly in cases brought before them by such agencies, and for these latter to take over the charge of such cases as can be best dealt with by them. The circulars of the Central Authority receive attention, and experience has shown that its suggestions for improved administration are usually accepted. In this connection due recognition must be given to the splendid work done by the women Guardians, whose numbers have increased steadily year by year.[1] It is to them that we owe many of the improvements that have taken place in both outdoor and indoor administration—improvements which, while they mean so much to the recipients of poor relief, prove to be economical in the result. I am afraid that a good many male Guardians take little trouble to inform themselves about the law they have to administer and the best methods of applying it; but the first business a woman Guardian undertakes after election (if she has not done so before) is to get all the information she can on the subject. The best administration of the Poor Law depends largely on details, and attention to these is a special peculiarity and virtue of the gentler sex.

VI. SUGGESTED LINES OF POOR LAW REFORM.

My readers must, I think, have already guessed what my solution of the problem is. Believing as I do that the present Poor Law structure, however defective it may be in parts, has proved itself securely built, and stood up well against the storms of criticism to which it has been subjected from time to time, I naturally can see no necessity for pulling it down to the ground and rebuilding it on new lines altogether. Rather do I wish to see any defects repaired, and certain buttresses which originally belonged to it, but were removed, rebuilt into its walls.

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[1] Since 1894 the number of lady Guardians has increased from 169 to nearly 1,600.

Sir Arthur Downes says the same thing in other words in his Memorandum already referred to: "I have studied the list of defects on which the sweeping changes originated in the Majority Report are based. My experience convinces me that there is not one which could not be met, and I venture to say better met, by a revision, strengthening, and an extension of existing powers on lines already established. Powers exist more elastic and more extensive than the proposals of the Report, whereby any extension of area, any combination of local administration, or any classification could be effected. Some revision or addition of detail and a public mandate are alone needed to set them in operation. The Report, premising that extending areas are necessary, proposes that the future area of local Poor Law administration shall be the county or the county borough. The vast amount of readjustment involved in this will be realized by those who have had experience of the difficulties entailed. There would have to be no less than 225 adjustments of existing properties and liabilities, involving much time, trouble and expense, and *without finality being secured*. Urban districts grow into populous places and may be organized as boroughs. Boroughs increase in importance, and will claim to rank as county boroughs. Each change will necessitate further adjustments, and the more complete the institutional service provided by the administrative county from which the population would pass, the more difficult the rearrangement would become. With what confidence could institutions be established for so uncertain a population?[1] The scheme of the Report, indeed, is inconsistent with the object of self-contained classification, on which it is chiefly based. There are even cases in which the area would be reduced; the Union of West Ham, with a population in 1910 of more than half a million, would be replaced by a county borough of only half the population of the dissolved union, while the remnant would be incongruously grouped for relief purposes with the sparsely peopled marshes of the coast.

"At present there are ninety-two Poor Law Unions, each with a population of more than 100,000. Among the administrative counties and county boroughs by which it is proposed that these unions should be replaced, seventy-seven only have populations exceeding 100,000. The scheme, in fact, does not solve the problem of the great urban populations where necessity for reform is greatest, while it threatens a maximum of disturbances to the rural districts where the need is less pressing. It may, indeed, be doubted whether many of the proposed areas would. after all, suffice for a complete self-contained scheme of classification ; some of them are manifestly too small for moderate or even elementary requirements. But the grouping of county or county boroughs would be difficult or practically impossible in proportion to the incongruity of social and industrial conditions and to the jealousies of strong municipalities. And thus the problem of the fringe of the great cities would still remain."

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[1] Memorandum by Mr. Charles Booth.

Sir Arthur Downes appears to support generally the administrative proposals of Mr. Charles Booth, but it seems to me that the scheme of the National Committee for Poor Law Reform has many advantages if it could be so amended as to deal satisfactorily with the size of Boards of Guardians, and to provide for the better organization of institutional relief by means of grouping Unions together in larger administrative areas under bodies directly representative of the constituent Boards in those areas. I have already suggested how the first object might be effected. As to the second, the Metropolitan Asylums Board has been in existence since 1867, and has proved its ability in regard to dealing with the sick, the mentally defective, the homeless poor, and the vagrant. In other parts of the country county committees have been already formed for the care of mental defectives and vagrants under special orders of the Local Government Board. These bodies are carrying out the duties imposed upon them with great success, and are composed entirely of Guardians appointed by their respective Boards to serve upon them, the number of representatives from each Union depending on its population, or, in some cases, on its assessable value.

There is no reason why this system should not be extended by order over the whole country, and, as in the case of the Metropolitan Asylums Board, it might be well that a certain number of additional members should be nominated to serve on each county Joint Committee by the Local Government Board. There would still be plenty of work for Boards of Guardians to do ; e.g. the decision as to how cases should be dealt with, the inquiries which would influence this decision, and the whole control of outdoor and ordinary indoor relief. Unnecessary workhouses and casual wards could be done away with, and, if thought well, classification by means of the remaining ones carried out. In the case of a workhouse which had been done away with in any Union, the Guardians of that Union might, if it were necessary for good relief administration, become an outdoor relief Committee for the Union and do all the preliminary work of deciding for what applicants the discipline and treatment in an institution was necessary. The principle of the Common Poor Fund, with any necessary modifications, could be applied to each combined district, as is done in London, and any Government grants could be administered by means of it. As each district might contain both Urban and Rural Unions, the expenses would be fairly equalized over it.

If the result were, as it would undoubtedly be, to make a Board of Guardians very careful in its outdoor relief administration, this would be all to the good. If such Joint Committees as are suggested were generally established, it would be possible for public relief of every kind to be placed under one Public Relief Authority. The only possible exception, although I cannot see any good reason for its being made, might be the granting of old age pensions. Parliament has decided that they are not to be considered as relief but as a right in return for national service, just as the soldier or sailor gets his pension, and it is perhaps too late to draw back now. But the care of lunatics and mental defectives, of whom the vast majority are at present chargeable to the Poor Law and proper persons for it to deal with, the feeding and medical treatment of necessitous children in the elementary schools, the relief work now performed by the Public Health Authorities, and the dealing with the unemployed and vagrants might well be placed under their control.

The advantages of bringing all public relief under one Central Authority are so great that it might be well to repeal the law which disenfranchises certain classes of those who receive it. It is well known that this law is often broken and quite impossible to enforce completely. It is very doubtful whether it is really preventive. But of course the recipient of relief, if allowed to exercise the parliamentary vote, would not be permitted to use it in the local elections of the authorities from whom he receives relief. The removal of the disqualification for the parliamentary vote would go far to get rid of that stupid phrase "the stigma of pauperism," which sounds so grand and means so little.

If it were thought well to substitute the words "Public Assistance" for "Poor Relief," by all means let it be done. We have already "Institutions" in the place of "Workhouses," and no one can say that they have become more popular in consequence.

VAGRANCY.

The Departmental Committee on Vagrancy, which issued its report in February 1906, a few months after the appointment of the Royal Commission on the Poor Laws, recommended that the care and control of vagrants should be transferred from the Board of Guardians to the police authorities and that detention colonies should be established for habitual vagrants. The whole subject has been exhaustively and well dealt with by Mr. W. H. Dawson in his book "The Vagrancy Problem."[1] If Joint Poor Law Committees were established, as suggested above, the care and control of vagrants could be committed to them. Boards of Guardians have already combined in certain parts of the country, mainly for working what is known as the Way and Food Ticket system which was recommended by the Departmental Committee, and they are already seeking powers for the sake of securing more uniformity in the treatment of vagrants than at present exists, to enable the shutting down of unnecessary casual wards in their district and the spreading of the relief expenses over those areas so that each Union, whether it has casual wards or not, will bear its fair share of the burden. These Vagrancy Committees would, of course, be merged in the Joint Poor Law Committees when established. The success of this plan has been illustrated by what has been done in London. There the Metropolitan Asylums Board took over twenty-four casual wards in 1912, when the number of vagrants relieved (1st January 1912) was 936, and, with the assistance of the Homeless Poor Committee (an Advisory Committee consisting of representatives of official bodies and charitable agencies in the Metropolis), had by 1916 reduced the number of wards to seven and the number of vagrants relieved to 108 (24th December 1915).

It would be useful to have a penal colony under State control for detention of those vagrants who have been convicted of vagrancy offences—say, three or four times in one year—the order of detention to be made by Quarter Sessions. It is at present difficult for the police to prove previous convictions of vagrants, so as to make the fear of detention really deterrent, but by the introduction of the finger-print system, as recommended by the Departmental Committee, the difficulty would be removed.

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[1] Published by P. S. King & Son, 1910.

SETTLEMENT AND REMOVAL.

The Majority Report of the Poor Law Commission did not find much fault with the present system of settlement and removal, although they thought that it could be simplified if the County and County Boroughs were made the area for all persons, if the forms of settlement were reduced to four—births, parentage, marriage, and residence, if the settlement were acquired by one year's residence in the new area, if the Local Government Board determined all cases of disputed settlement other than those which it considered more suitable to be decided in a court of law, and if there were reciprocity of removal between the United Kingdoms.

It is, I think, clear that with the substitution of District areas for the proposed County and County Borough areas the above suggestions could all be carried out. But of course there are very strong arguments for doing away with the law of removal altogether, as has been so often recommended by experts both past and present.

CONCLUSION.

It has been my object in writing this article to try to show how the English Poor Law system might be strengthened and fortified, while leaving it still subject to democratic control as at present. On the whole, Boards of Guardians do their work well with the help of good officers. They would be assisted to do their work better, in my opinion, if the combinations of Boards were carried out as suggested. I believe that this moderate reform would work economically because it would bring all public relief work under one authority, instead of under different authorities, and I do not think that anything more is wanted. There are of course many questions which space does not allow me to deal with, but they could be worked easily into the framework. The better organization of charitable effort is outside the purview of my article, but it is of course absolutely necessary that, in this case, the one hand should know what the other doeth. The better charity is organized, the more easy will it be to secure that close co-operation between public and private effort, between legal and voluntary charity, which will ensure the best relief work.

Those who now abuse our Poor Law system, which curiously enough has been so praised by foreign critics of our institutions—and outsiders are said to see most of the game—are those who know least about it and the work it has to do. One must always remember that the Poor Law is the Cinderella of the social family. It has to deal with cases such as no other body or organization will touch. This is often forgotten. It is often said that the Poor Law is only repressive and not preventive, that it can only relieve the destitute and not the poor. But the word "Destitution" has a much more extensive meaning. As pointed out in the Circular of the Local Government Board of the 18th March 1910 on the administration of outdoor relief, "a person may be destitute in respect of the want of some particular necessity of life without being destitute in all respects, as, for instance, a person who is not destitute in the sense that he is entirely devoid of the means of subsistence may yet be destitute in that he is unable to provide for himself the particular form of medical attendance or treatment of which he is in urgent need." This shows, I think, what a power of prevention is placed in the hands of Poor Law administrators.

I venture to say that our Poor Law institutions, taken as a whole, will bear the closest inspection. I only wish that the general public knew more about them. If they did, the attacks made upon the system would become very feeble. The system is fundamentally a sound one, and I believe that it has helped to preserve "the liberty of the subject" in a way which those who believe in the thing often do not appreciate. Only those who love bureaucratic interference with this liberty are really its foes.

IV

NATIONAL FINANCE AND TAXATION

CHAPTER XVIII

National Taxation after the War

I. THE APPROPRIATE DISTRIBUTION OF ITS BURDEN

By Professor ALFRED MARSHALL

ASPIRATIONS for social betterment, which were growing fast before the war, have been strengthened by the community of life of men of all classes in the trenches. But their development and realization, when the war has passed and its débris have cleared away, will be to some extent hampered by the destruction of capital and the necessity for raising a very large public Revenue to pay interest on the National Debt and for other purposes. The aim of this chapter is to inquire how that revenue may be obtained with the least hardship and the least waste.

It is concerned almost exclusively with the economic aspects of the problem. But Adam Smith's enthusiastic loyalty to the British race led him to the daring proposal, that when the British Colonies in North America had overtaken and surpassed the Mother Country in wealth and strength, the seat of the Central Government of the Empire should migrate across the Atlantic. And a humble follower of his may venture to apply his principles to the new problems, which have arisen out of the co-operation of Britain's remaining Dependencies with her in resistance to Germany's truculent execution of the long-prepared assault on the liberties of her neighbours.

1. BRITAIN'S DIMINISHED RESOURCES AND INCREASED BURDEN OF TAXATION AFTER THE WAR.

Before the war Britain had exceptional freedom in her choice of taxes: she did not need to force any of them up to a point at which its pressure would be very painful. But after the war she must force many of those taxes, which she has judged to be most suitable to her conditions, up to points at which their pressure will cause considerable hurt, both direct and indirect. In order to keep this hurt within moderate limits, she must make some use of other taxes, which are less suitable to her conditions, and are technically inferior to those which used to suffice for her needs.

It is true that the increased energy of all, and the increased economy of many, have enabled her to obtain from her own people nearly all the funds that she has needed for the war on her own account, as distinguished from those which she has incurred on behalf of her Allies and Dependencies. But this vast internal borrowing is not merely a transfer from one hand to another; productive capital has been converted into appliances for destroying the enemy and saving Britain, and indeed the civilized world, from calamity. The conversion was inevitable, but the fact must be faced that it involves the destruction of a vast amount of capital, that would otherwise have been available for production.

This capital has been annexed for the war, partly by the sale of securities in neutral markets; partly by the depletion of the stocks of goods held abroad at the charge of British exporters and others; partly by suspension of the normal replacement of wear and tear of business plant of all kinds, including such things as railway rolling stock; of domestic appliances of all sorts and of houses, buildings, etc. In addition to these direct losses the country is poorer than she otherwise would have been by the savings which she normally devotes to investments abroad, and to extending her own stock of material capital—fixed and movable of all kinds. But against this must be put the value for peace purposes of buildings, etc., set up for the purposes of the war; and that of the products available for home consumption or for the export trade, which are due to the increased energies of men and women, working under the stimulus of their country's need.[1]

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[1] The energies of munition-workers, like those of actual combatants, yield their fruits in making for victory; and their products do not enter into the calculation here. But reckoning has already been made for all the expense to which

If we look beyond material wealth, something must be allowed for the new energy, the new perception of the importance and the methods of organization and standardization, which we have acquired. On the other hand, the loss of the multitudes of men in the prime of life, who are dead or maimed, is a destruction of national capital.

It is not possible to forecast the national Revenue that must be raised after the war from sources thus narrowed. But it will certainly be more than £m.400; that is, more than twice as much as before the war, and possibly much more. By far the greater part of any indemnity which can be got from the impoverished Central Powers will go to the desolated provinces of Belgium, France, Serbia, Poland, and Rumania; and the expenses of demobilization will absorb a great part of the value of the Government property set up during the war. The National Debt, Funded and Unfunded, at the end of the war may therefore be taken provisionally at £m.3,000 (i.e. three thousand million pounds); it seems likely to exceed that sum. The interest on this at 5 per cent. will be £m.150. The expenditure on the services of defence on the sea and under the sea, on the land and in the air, seem unlikely to be less than £m.100: they were £m.77 in 1913-14. Under ordinary conditions 2 per cent. of the Debt ought to be paid off annually if the country is to be in a good position to meet any emergencies that may arise during the next fifty years; but as £m.45 are expected to be needed for war pensions, which are in effect but partial repayments of obligations that the country has incurred towards those who have fought for her, it may be sufficient to set aside £m.80 for pensions, together with repayment of the Debt; the pensions will of course gradually dwindle as the beneficiaries pass away. If this is done bravely and steadfastly, and peace is preserved, the Debt may be converted to a 4½ per cent. or even a 4 per cent. basis. We will assume the charges for interest on it to fall to 4½ per cent.—i.e. £m.135. On this basis the

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the Government has been put in paying their wages and salaries and in providing for their needs; and therefore we must not count the whole value of the services, which they would have rendered in time of peace, as lost by the war: we must count only the excess of the value of those services over the wages and other payments which would have been made in connection with them, if peace had been unbroken.

Revenue needed for expenses connected with war will be £m.135 + 100 + 80—i.e. £m.315.[1]

There must be further added £m.75 at least for net expenditure on services other than those of Defence and the Debt, as in 1913-14. One item of this amount was £m.10, paid over to Local Taxation account. Nearly £m.40 were taken by the "Social Services"—Education, Old Age Pensions, Labour Exchanges, etc.; whereas five years earlier they claimed only half that sum. Their just demands will not shrink; they will increase continuously. A small portion of the £m.390 thus reached will be covered, as before, by income from Crown Lands, etc.; but, on the other hand, the expenses of collecting the Revenue from taxes, etc., will increase with their volume. Thus we must frankly face the fact that, even if hostilities cease in the autumn of 1917, our taxes will be required to yield more than twice the greatest Revenue hitherto obtained from them in the past. If things go badly, very much more than this will be needed.

The brilliant, though gravely chequered, success which the Government has attained during the war in the direction and control of some industries has fostered the fond imagination that Government business may be a source of large Revenue. But it is to be remembered that many of those business men, as well as those scientific experts, whose energy, ability, and strength of character best fit them to direct great undertakings and pioneer new ways, are now in the service of Government; and many of the rest are giving some of their best energies and resources, for little or no remuneration, to the Government; and their imported energy has swept away the cobwebs of many Government Departments. Also the Government has reaped the economics of massive standardized production by numerous unskilled workers, guided by a relatively small number of skilled workers, on a scale which had never been approached till within the last two years in any country in the world. But all this affords no indication that it is likely to pioneer progress and economy in industry in time of peace by superseding independent industry.

When considering the real burden that will be thus imposed on the country in the future, something must be said as to the probable future of prices. The rise in prices during the war has been caused partly by bad harvests ; partly by the destruction of factories and the closing of mines, etc., in Belgium and elsewhere, and by the destruction and internment of ships, etc. ; and partly by purely monetary causes. Gold has been sent to America and other neutral countries, and has stimulated a rise of prices there ; while in some of the countries at war there has been a greatly extended use of paper currencies and cheques. Also the feverish urgency of the demand for the necessaries of war has raised money wages, and thus stimulated a rise of prices.

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[1] The above account omits the £m.24 spent on Postal services in 1913–14: for they more than paid their way, and they may be made a source of additional net revenue after the war.

Peace will bring prices down : but probably not to their old level. In that case Government will have to pay more money than before for goods and for services. But the money incomes, and the money values of things on which taxes are levied, will be higher also : and as the money payable as interest on the Debt will not be increased, the burden on the Exchequer will be rather less than if prices fell. On the other hand, a continued rise of prices would tend to sustain a high rate of interest and to increase the difficulty of converting the Debt on the basis of lower rates than those at which it has been incurred.

2. A SEARCH FOR THE LEAST DETRIMENTAL DISTRIBUTION OF THE FUTURE HEAVY BURDEN OF TAXATION.

Until recently " equity " was thought an adequate guide in the philosophy of taxation : and it was generally considered equitable that every one should contribute " on the joint-stock plan " to the expenses of the State in proportion to the income (or, as was sometimes said, the property) which he enjoyed under it. But further consideration showed that while a joint-stock company has no responsibility for the number of shares which each individual holds in it, the duty of the State is of larger scope. For equity proceeds on the basis of existing rights, as generally recognized : and, though a joint-stock company must accept them as final, the State is under obligation to go behind them ; to inquire which of them are based on convention or accident rather than fundamental moral principle ; and to use its powers for promoting such economic and social adjustments as will make for the well-being of the people at large. A chief place among those powers is held by its control of the distribution of the burden of taxation. The notion that this distribution should be governed by mere equity remained dominant till late in the nineteenth century ; but, when the war began, the tide was in full swing towards the notion that the problem is one of constructive ethics ; though, of course, on its technical side it calls for careful economic and political thought.

This new notion is indeed largely based on observations which were certainly made two thousand years ago, and probably much earlier, that the happiness of the rich does not exceed that of the poor nearly in proportion to the difference in their commands of material wealth. Sages have indeed frequently asserted that happiness is a product of healthy activity, family affection, and content ; and that it is as often to be found in the cottage as in the mansion. But yet a lack of the necessaries of life causes positive suffering, which transcends in a way the lack of happiness ; and therefore taxes, which trench on the necessaries of life at the command of any stratum of sober, hard-working people, stand in a class by themselves.

Again, though the upper strata of society do not enjoy an excess of happiness over the lower strata at all proportionate to their superiority in incomes, yet almost every one derives considerable pleasure from an increase of his income, and suffers annoyance from its diminution. For the increase gratifies, and the diminution disappoints, the hope of some enjoyment or of some ambition which is near in sight. In the one case the man feels himself rising in that social stratum to which he is accustomed : the stratum which knows him, and which he knows ; the stratum whose wants and thoughts and aspirations are kindred to his own. A clerk is made proud and happy when he can move from a working-class quarter to one in which untidy clothes are not seen ; but he does not fret at being unable to move into a fashionable quarter: he is grieved if unable to take his family to the seaside for their wonted two or three weeks ; but he does not greatly repine at being unable to travel round the world.

These considerations point to the conclusion that, while anti-social excess in the consumption of alcohol by any class is rightly subject to heavier taxation, those who apply practically the whole of a very small family income to good uses should make little or no *net* contribution to the Revenue. It will not be possible to exempt from taxation all the things consumed by them: but the greater part of what they contribute directly to the Exchequer should be returned to them indirectly by generous expenditure from public funds, imperial and local, for their special or even exclusive benefit. The ever-growing outlay on popular education, old age pensions, insurance, etc., is an expression of the public conscience needed to palliate extreme inequalities of wealth, while yet enabling even the poorest class of genuine workers to remain full, free citizens, with a direct interest in public finance. Their life is an integral part of the national life. If all were equal in wealth and other matters, national life would be something more than the aggregate of the lives of its individual members, and all would need to make sacrifices for it. As things are, while all must suffer, and if needs be die, in time of war for the national life; the purses of the well-to-do alone can be expected to contribute largely to its expenses in time of peace. To do so is merely good business: it is not charity.

We may not shut our eyes to the fact that though as much personal hurt is caused by taking £1,000 from an income of £10,000 as by taking £20 from an income of £200—a matter on which opinions differ—yet the hurt caused by obtaining £1,000 of additional Revenue by means of levies of £20 from each of fifty incomes of £200 is unquestionably greater than that caused by taking it from a single income of £10,000. For the fact is becoming ever more prominent to the minds of those who are not specially well-to-do; and it may be a source of some peril to the country, especially in view of the large Revenue that will be needed after the war, unless careful account be taken of the extent to which excessive taxes on capital react indirectly on the people at large. While special provision is made for those whose incomes fall short of the necessaries of life and vigour, every one else must bear a considerable share of the national burdens; but the shares must be graduated *very steeply*.

We shall see that this can be effected only by a very large use of taxes on income and property. No approach towards it has been attained by taxes on particular commodities; for indeed many such taxes press with the heaviest weight on the poorest classes, and with no appreciable weight on the rich; while those which fall chiefly on the consumption of the rich have never been made to yield any large Revenue.

3. Extensions of the graduation of the income-tax.

In earlier times nearly the whole of most people's incomes was derived from operations known to their neighbours, and a large understatement of income was not likely to escape detection. But modern methods of investment and other causes had made it almost impossible to detect fraudulent understatements, until the plan, now familiar, was adopted of taxing at the source all British corporate incomes; while incomes from Stock exchange securities issued abroad are now in effect brought under the same discipline by aid of the agencies of the money market. This has enabled the Inland Revenue officials to give most of their attention to the intricacies of small private businesses, a task in which their methods have greatly improved. Thus the percentage of income demanded by the tax rose long ago much above that which it had originally been thought possible to charge with tolerable safety, unless during the emergency of a war; and yet the evasions are believed to have become relatively small. This plan, however, increases the difficulties of direct graduation of the burden of the tax: so recourse is now had to the indirect method of allowing certain abatements to be made from small incomes before they are assessed to the tax.

In order to carry the graduation above the limit at which no abatement was made a Super-tax was introduced in 1909, surcharging all very large incomes. The collection of that tax derives little aid from the practice of charging at the source; but, as the number of incomes which come under it is small, the officials can give a good deal of time to each of them. The great increases in the income-tax and Super-tax levied during the war, together with the Excess-profits-tax, while throwing no direct light on the probable course of taxation after the war, suggest a hope that the various advances towards graduation made before it, will be sustained and developed after it. In so far as the graduation is effected by abatements, people have a direct interest in submitting statements of their incomes in detail to the income-tax officials: and in this way graduation tends to promote the accuracy of income-tax returns and to diminish evasions.

The exceptional power of adjustment to special conditions possessed by the income-tax extends some way in the direction of taking account of the fact that two persons with equal incomes may have to bear very unequal burdens. Thus insurance premiums are deducted, subject to certain conditions, from income before taxation: and some further deductions, which might advantageously be enlarged, are made on account of young children. There is much to be said for the present plan of regarding the incomes of husband and wife as a single unit for taxation: but the charge levied on that unit should be less than if it had to support only one person.

This inequality between the burdens of taxation on two persons with equal incomes, but unequal responsibilities, extends below the income-tax paying class; but it is only in that class that a direct remedy is in sight. Among the working classes especially an unmarried man is likely to consume highly taxed alcohol and tobacco in greater quantities than a married man with an equal income; but in regard to most taxed commodities the married man's expenditure is likely to be the larger. It is true that the married operative is likely to derive more aid than the unmarried from public expenditures on health insurance and on schools. But unfortunately, though the education given by the subsidized schools is often at least as good as that afforded by relatively expensive private schools, even the lower middle classes are induced by convention to hold aloof from them in this country.

If it were possible to exempt from the income-tax that part of income which is saved, to become the source of future capital, while leaving property to be taxed on inheritance and in some other ways; then an income-tax graduated with reference to its amount, and the number of people who depended for their support on each income, would achieve the apparently impossible result of being a graduated tax on all personal expenditure. Rich and poor alike would be left to select those uses of their incomes which suited them best, without interference from the State, except in so far as any particular form of expenditure might be thought specially beneficial, or specially detrimental, to public interests. The income-tax would then levy the same percentage on the rich man's expenditure on coarse tea and on fine tea, on bread and on expensive food; and a higher percentage on each than on the poor man's expenditure on anything, unless it be alcohol and tobacco. The way to this ideal perfection is difficult; but it is more clearly marked than in regard to most Utopian goals.

In pursuing it a watchful eye must of course be kept on the danger that excessive taxes on large incomes may check energy and enterprise. It is true that a man of high genius and originating faculty often values his gains less for their own sake, than for the evidence which they afford to himself and others of eminent power. His energy would not be much affected by a tax which lowered his share, provided it did not put him at a disadvantage relatively to others. The zeal of a yachtsman in a race is not lessened whan an unusually unfavourable tide retards the progress of all; and so the business man of high faculty would not be much less eager for success, if taxation took from him and his compeers a considerable portion of their gains.

But the average man desires wealth almost exclusively for its own sake; though some little introspection might suggest to him that what he really cares for is an increase in wealth relatively to his neighbours: and thus the problems of a steeply graduated income-tax run into those of graduated taxes on capital.

4. Limitations of the scope of taxes on capital.

Heavy taxes on capital, of course, tend to check its growth and to accelerate its emigration. It is to Britain's credit that she was able to export a great deal of it before the war: but, if her factories had been equipped with as generous a supply of machinery as those of America, her industries would probably have been more productive than they were; and if she is to hold her place in the van of industry after the war, she will need much new capital for her own use. Her natural resources, except in coal and a favourable coastline, are small; and a chief cause of the superiority of the wages of her workpeople over those in other countries of Europe has been the fact that her businesses could obtain the necessary supply of capital at lower charges than anywhere else. Therefore taxes on capital must be handled with caution.

So far as the rights of property have a "natural" and "indefeasible" basis, the first place is to be attached to that property which any one has made or honestly acquired by his own labour. But the right thus earned does not automatically pass to his heirs: the tardy development of steeply graduated duties on inheritance (or "Death Duties") has approved itself increasingly to the ethical conscience and to the practical counsels of administration: and this in spite of the fact that such taxes are generally paid out of capital, for the heir seldom sets apart a sinking fund out of his income. There are considerable evasions, some technically valid, and others not; but they are said to be less than had been anticipated. The annoyance which a man feels on reflecting that his heirs will inherit somewhat less than he has owned does not seem to affect conduct much; and perhaps some part of the Revenue needed after the war, in excess of that before it, may be safely got by a moderate increase of these duties.

A man's "unearned" income may be derived from inherited property, or from the fruits of his own labour. Partly because earned income is likely to be subject to heavy demands in making provision for dependents, it is reasonably assessed to income-tax at lower rates than unearned income. So far all seems well. But a graduated income-tax falls short of attaining the great ideal of being a graduated tax on lavish "expenditure," because it is levied on what a man saves as well as on what he spends.

The "expenditure" which is contrasted with saving is, of course, expenditure for immediate personal consumption on commodities and services of all kinds; for that part of an income which is "saved" is spent, if not by the person who saves, yet by those to whom he hands over its use in return for promised income. Thus all is spent; but that part which is spent for personal consumption disappears soon after it is taxed, and that part which is turned into income-yielding capital is taxed again fully in the long run.[1]

The duty of each generation to those which are to follow is as urgent as that of the rich to consent to surrender a more than proportionate contribution from their incomes to the national purse; ethical considerations and those of high policy make alike for the preservation of the capital that is needed to sustain the strength of a country in peace and when assailed by hostile aggression.

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[1] Suppose a tax of, say, a shilling in the pound is levied permanently on all income, and £1,000 saved yields, say, 4 per cent. permanently: then that £40 of annual income will yield permanently £2 as tax: and the present value of that permanent yield will be £50—the exact amount of the original tax.

Finally, a remark may be made, somewhat dogmatically, on a rather abstruse point, which cannot be fully discussed here. It is, that if a great part of the Revenue is derived from taxes on commodities consumed by the people, then either the standard of living of the people must be lowered, or the taxes must ultimately be paid by their employers ; therefore it must in the main fall on the income obtained from the use of capital in business. In so far as it does this, it will tend to drive away capital nearly as much as a tax on income derived from capital would, and even more than a tax on all considerable incomes, including those that are earned by professional men and salaried business officials. All taxes, unless they are so spent as directly to increase efficiency, tend in the same direction.

5. A STEEPLY GRADUATED HOUSE DUTY AND SOME MINOR TAXES.

A house is in some sense a single commodity ; but, subject to exception for the differing needs of large and small families, expenditure on it bears a much more nearly uniform relation to total expenditure than does that on any other commodity. The furniture of a house is not liable to taxation as such ; but, in fact, expenditure on furniture varies nearly uniformly with the rental value of the house : both rise automatically with increase in its size, its appointments, and the attractions which its situation offers to well-to-do people. Rich people with small families select well-appointed houses in expensive neighbourhoods ; poorer people with large families go where accommodation is cheap. Taxes on houses are collected cheaply and without evasion, and they can be graduated at will.

Unfortunately, taxes on immovable property have been taken over in the main by local authorities : and high local rates are very unpopular ; for, at all events, when they are to be spent largely on purposes that do not increase the special attractions of a locality, they are thought to put it at a relative disadvantage. But this objection would not lie against a heavy *national* Inhabited House tax, graduated more finely and more steeply than the present. It would somewhat relieve the pressure of taxation on income ; and it would escape the charge, that is levied even against a graduated income-tax, of being a double tax on savings.

Corresponding taxes on hotels, restaurants, etc., graduated very gently, could be so arranged as neither to increase nor diminish the relative attractions of the substitutes which they offer for the conveniences of private domestic life.

A house-tax is in some degree a tax on domestic servants; but in the hard times coming, and in view of the importance of setting labour as much as possible to productive work, there should be a tax on domestic servants; it should be very high in the case of male servants, and graduated steeply according to their numbers. One female servant might be free from tax, a second taxed lightly: and abatements of the tax might be allowed, adjusted to the number of the family to whose needs they administer.

A graduated tax on motor-cars has some of the advantages of a graduated tax on houses. And if the graduation can be adjusted with reference to possible speed, rather than horse-power (in spite of the technical difficulties in the way) it may render a great social service: for a fast motor which goes thirty miles in an hour on a dusty road causes great discomfort to many people. The suggestion that pleasure derived from a display of wealth can be made a source of revenue without considerably injuring those who are taxed, may appear Utopian: but it deserves some consideration.[1]

Akin to this matter is the taxation of advertisements. Every increase in the many millions of square inches covered by the advertisements which are set up annually, diminishes the chance that an advertisement which occupies only a few square inches will attract attention: and a tax which somewhat lessened the total area of advertisements would economize paper, bring in some revenue, and do no great harm either to advertisers or those who cater for them. If the tax did slightly check the growing influence of the advertisement manager in the counsels of periodical literature, that might be for the public good.

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[1] A person who locks up £3,000 in diamonds obtains whatever social prestige may attach to the power of holding, in a sterile form, wealth that might yield, say, £120 in income. Now if a tax of 2 per cent. were imposed on the capital value of diamonds, the same social prestige would be derived from diamonds worth £2,000 (for that would involve a locking up of £2,000 of capital, at a sacrifice of £80 of income, together with a payment of £40 in taxes); and the smaller stock of diamonds would be nearly as beautiful as the larger. A small amount of jewellery might be tax-free: but lists of all taxes on it collected in each locality would be published in local newspapers; and some persons might be tempted to overstate rather than understate their holdings of it.

6. TENDENCY TO INVERSE GRADUATION OF THE BURDEN OF TAXES ON COMMODITIES.

Every tax which has been so far considered is economical in operation; because it is collected "direct" from the person who is destined to bear nearly its whole burden, or from bankers and other agents acting under precise contract on his behalf. It is true that taxes on houses and (license) taxes on motor-cars, collected from those who are using them, will in some measure be shifted backwards on to houseowners, and the building and the motor industries; but that is a relatively small matter. On the other hand, the ordinary commodities, with which we are now to be concerned, are not sufficiently prominent and permanent to be conveniently taxed when in the hands of the users: they can be taxed only when they are accessible in the mass; that is, in the hands of producers or traders. Every such tax tends to be shifted forwards on to the users, together with the profits of traders; and, in case it is collected from producers, with their profits also: it is therefore wasteful. Taxes on things that pass through the hands of several groups of trades are generally very wasteful.

There are a few things, such as commercial papers, deeds, patent medicines, etc., which can be required to carry stamps as indications that they have paid taxes. But, as a rule, Revenue officials can secure the payment of the proper tax on a home-produced commodity only by requiring that all the processes of its production shall be so conducted as to facilitate their inspection. This can be done in regard to alcoholic liquors; because the processes of manufacture are fairly simple, definite, uniform, and stable; and they can conveniently be concentrated in a comparatively small number of places. Also the tax can reasonably be made to yield so much Revenue, that the cost of inspection is a relatively small matter.

There is no other commodity of which the same can be said. Excise officers, who should undertake to control the production and sale of things, which are made in whole or in part by innumerable businesses scattered over the country, could not attain tolerable success even at vast expenditure. But so few are now the ports and the frontier stations of international railways, at which Customs officers have to make elaborate arrangements for inspecting imported goods, that their task is relatively easy. Thus commodities of all kinds, whether entering the country in small or large quantities, whether completely manufactured goods or half-finished products to be used in manufacturing, are taxed without difficulty at the frontier: but most of them could not be taxed with ease or certainty if produced at home. Hence it arises that the problem of Revenue from taxes on particular commodities after the war resolves itself in great measure into the problem of the new international relations which the war will have brought about; they will be considered later on.

But a little may be said here as to the general tendency of taxes on particular commodities to be graduated inversely. They are apt to fall on things which absorb a larger percentage of the expenditure of the poorer classes than of the richer; and they are apt to be larger percentages of the values of a thing consumed by the poorer classes than of the corresponding thing consumed by the richer. This double wrong is for the greater part due to causes deep-set in the nature of things, though some of it could be avoided.

In this connection Customs and Excise duties may be treated together. The British Revenue from both comes almost exclusively from alcohol, tobacco, tea, coffee, cocoa, and sugar (a considerable number of the smaller Customs duties, such as those on preserved milk and fruit, are in effect taxes on the sugar contained in otherwise innocent products). Now every one of these six things absorbs a much larger part of the income of the working classes than of the rich: and the finer and costlier sorts of each are, with but few and small exceptions, taxed at nearly the same rate per pound or gallon as the cheaper sorts, thus effecting a double inverse graduation of the burden of taxation.[1]

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[1] It is sometimes argued that the taxes on the things consumed by the indoor servants of a rich man are really paid by him. But the wages, including food, etc., which he pays, are governed by those earned in other employments by people of equal capacities with those servants, allowances being made for a certain loss of personal freedom and other incidentals. Therefore the servants in effect pay taxes on such amounts of these things as are commonly paid by other people in their class. In so far, however, as the remuneration, which they receive in return for their loss of personal freedom, is likely to include larger consumption of these things than is usual in their class, the employer may be considered as paying the taxes on that extra consumption. Of course he pays any excess of the rates on parts of the house allotted to their use, over those which they would be likely to pay on their houseroom if not in domestic service.

To go into some detail. It is very difficult to assess spirituous liquors to taxation in proportion to the subtler excellences of which individual taste is the arbiter: so the taxes on beer and spirits are graduated chiefly in regard to their alcoholic strength, and add a much higher percentage to the cost of the poor man's drink than of the rich man's. This cannot easily be avoided. But wine is distinctly a thing for the well-to-do: and yet, unless it contains much alcohol, it is charged only about two-thirds as much again as the cheapest beer; that is, the percentage charge on the drink of the well-to-do is much less than on the poor man's. This inverse graduation seems a great evil, even though it may have been caused partly by the exigencies of tariff negotiations with wine-producing countries.

The duties on the most costly wines are only a minute percentage on their value; but this inequality cannot easily be remedied without opening the door to fraud and contention. Similarly cigars, which may be retailed at a shilling apiece or more, pay only about half as much again per pound as the cheapest tobacco, and only a quarter as much again as the cheapest cigarettes. Again, tea which is retailed at 4s. a pound pays only the same tax as that consumed by the mass of the people: but the average import price of all teas in normal times is not much more than 6d. The adjustment of such taxes at the high permanent levels which may probably be necessary after the war, is likely to afford an additional motive, as well as a convenient opportunity, for redressing this injustice.

Germany's grasping at selfish gains by violent and oblique methods is undermining the sources of her power and causing her to be distrusted. In the past Britain has striven to deserve to be trusted: and it is more incumbent on her, even than on others, to reject selfish and fleeting gains, when they can be got only by methods which are not worthy of her best self. Whatever makes for the cohesion of the British Empire, and of the great Alliance which has been recently strengthened, and purified in blood, is to be sought with solid resolution. Whatever is directly needed for hindering the recrudescence of Germany's ambition to rule by terror over Central Europe is both right and prudent. But the more any such measures tend to our own aggrandizement, the more jealously should they be scanned by us. Fiscal arrangements that injure

Germany, without permanently increasing our defensive position against her, are certainly not in the interests of the coming generation.

II. TAXES ON IMPORTS: THE NEW INTERNATIONAL SITUATION

So far taxation has been regarded almost exclusively as a means of raising Revenue under the difficult conditions which the war is creating. But a tax on the importation of anything which can be produced at home acts in protection of the corresponding home industry, unless it is balanced by an equivalent tax on domestic products: and if the tax is levied unequally on similar products coming from different sources, it becomes what is commonly, though inaccurately, called a Preferential tax. In either case, but more especially in the latter, political considerations are intermingled with those which are "economic" in the narrower uses of the term; and sometimes even they get the upper hand. The war has developed a new political situation. It has greatly affected international sentiments: and it has forced even those, whose detestation of war is the most intense, to recognize that industry and trade can no longer be regarded only as handmaids of life; for they are likely to be used by a strong and resolute military Power as pioneers of destruction and death.

It may therefore be right to take some measures, which are not appropriate to ordinary conditions, in order to lessen the ability of a determined enemy to destroy, especially if that can be achieved by methods that will disincline him for war. This is not to inculcate hatred or revenge, which indeed indicate small natures: and still less to advocate policies that increase his animosity, without materially diminishing his chance of success in war; for that were folly.

Unfortunately the experience of many centuries shows that a policy, which will confer a considerable benefit on each of a compact group of traders or producers, will often be made to appear to be in the interest of the nation; because the hurt wrought by it, though very much greater in the aggregate than the gain resulting from it, is so widely diffused that no set of people are moved to devote much time and energy to making a special study of it.

Its advocates speak with zeal and the authority of expert knowledge. But they are bad guides, even if unselfish and perfectly upright: for a policy that makes for their peculiar profit is invested in their eyes with a deceptive glamour.

1. General characteristics of taxes on imports.

It has just been indicated that the expense and the interference with industry which are involved in Excise duties, such as those levied on alcoholic liquors, cannot be extended to commodities in general without administrative measures which would be intolerably vexatious to home industries. Import duties on such things as tea and tobacco yield as net Revenue to the State nearly the whole of the money which they take from the people: and so do taxes on imported alcoholic liquors, balanced as they are by similar taxes on like home products.

But a tax on any imported product, which is not balanced by a corresponding tax on similar domestic products, is a differential tax: and is therefore wasteful. The objection to it does not arise, as is sometimes thought, from the fact that it is a tax on an import: on the contrary, that fact tells in its favour. It is open to objection only on the ground that it is a discriminating or differential tax. Every such tax is necessarily wasteful if it involves the diversion of demand from an easier to a more difficult source of supply: though, of course, it may have political or even indirect economic advantages which outweigh that waste.

The waste may be illustrated by a simple case. Freshly quarried building stones are often soft, and can be worked roughly into shapes for their final use with but little effort. The Masons Union at one time insisted that all the shaping work should be done at the point at which a stone was to be used; thus doubling or trebling the effort and therefore the cost of the rough part of the work. That rule in effect imposed a differential tax on the most efficient method of production: and the general objection to an import duty levied on things which can be obtained from abroad more easily than they can be produced at home is that it raises the total cost to the people of their supplies of that thing, while the Revenue reaps comparatively little gain from their sacrifices. The Exchequer, with hunger but little appeased, is likely to attack other imports, and perhaps earn even less in proportion from them; and so on.

It is important to reflect that a duty on any import prejudices in some degree, not only those who desire the foreign product for any reason, but also all those who are engaged in production for export. *Other things being equal* (these words are dominant), a diminution by £10,000 of the imports which any merchant finds it advantageous to make into Britain diminishes the demand for bills on other countries to the amount of about £10,000. That is to say, it tends to cause British producers for exportation, together with the shipowning and other mercantile houses associated with them, to curtail operations to the extent of about £10,000. A tax on imports which rival the products of a British industry doubtless increases its activity; enables it to give increased employment, temporary or permanent, to the working classes and others; and increases its command of the economies of production on a large scale. But at the same time it tends to diminish to about the same extent the activity of other British industries: and it narrows, temporarily or permanently, the range of the employment which they afford, and their command of the economies of production on a large scale. This statement is constantly called in question; but *never* when full account is taken of the condition "other things being equal."

The argument that taxes on a country's imports tend to alter the terms on which she obtains them, slightly in her favour, deserves more consideration: but it will be found to be of little importance in regard to general trade, except in the case of a country nearly the whole of whose exports are without effective rivals anywhere else. There are, however, a few cases in which a great part of the burden of an import duty can be thrown on the foreigner: and, though they amount to very little in the aggregate, something must be said of them.[1]

If one country is the chief consumer of a thing for which another has special natural advantages, a tax on it may cause the exporters to continue to work at barely remunerative prices rather than lose their market. Such cases are rare, and not important. But it often happens that, when producers in one country have set themselves to cater for the special requirements of another, and to build up commercial connections with her, they will go a long way towards meeting any import duty that is suddenly sprung on them, until they have made other arrangements for utilizing their resources. That may last for a year or two, and give rise to the opinion that a considerable part of the burden of an import tax falls on the foreign producer. But smart tricks of this kind succeed temporarily in every branch of dealing, and they are bad business in the long run: a country which gets the reputation of suddenly raising particular import duties will find others slow to accommodate themselves to her wants.

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[1] It must, however, be admitted that there is no adequate basis for the argument sometimes put forward, that since merchants are not generally willing to accept a lower *net* price, after paying freights, taxes, and all other costs in one country than another, therefore consumers in a country which levies a tax on an import must pay that tax in full. For this argument neglects the fact that the general purchasing power of money in a country with high import duties is lowered by those duties; so that the real values that her people give in return for the foreign goods which they consume are a little lower than is suggested by the prices which they pay.

Another case, in which an import duty is largely thrown on a foreign producer, is seen when a particular brand of thread or the supply of petroleum in a particular market yields monopoly profits high above the normal. Such profits can always be annexed, in part at least, by the tax-collector; and his success in regard to them is frequently quoted as affording a general argument in favour of differential duties on imports: but the argument is invalid. The tax on them is not a differential tax, since there is not any efficient and cheap substitute for them.[1]

2. TAXES ON MANUFACTURED IMPORTS YIELD LITTLE REVENUE AND CAUSE MUCH FRICTION IN AN OLD MANUFACTURING COUNTRY.

Taxes on imported manufactures are convenient sources of Revenue in such a country as Brazil, whose conditions make the collection of Revenue over her large inland area difficult, while it can be easily collected at her ports. And a Protective tax, which helps a young industry to develop its latent strength, may be in the interest of an undeveloped country; even though the tax must inevitably do some hurt to those few of her industries which are manufacturing for exportation. For the energy developed in a few high-class progressive industries may spread over a great part of the industrial system of the country; just as, when an iron screen concentrates the whole draught of a chimney on a small part of a nascent fire, it may generate an intense local heat, which spreads and pioneers the way for a broad, strong fire.

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[1] It is indeed sometimes argued that imported goods do not pay their share of the general taxation of the country as home produce does; and that therefore they compete at an unfair advantage unless they are taxed on importation. But the English manufacturer of products for exportation would pay a double set of taxes if the foreign products, for which his goods are exchanged, had to pay a share of the general taxes of the country. For the taxes paid on importation would have to be deducted from the proceeds of the sale of his goods abroad before any profit could be realized.

Neither of these arguments applies to an old manufacturing country, such as Britain is. But it has recently been argued that after the war her finances will require her to collect Revenue from imported manufactures: and that the country will ultimately gain by lending some aid to a few industries which have been outpaced by foreign rivals through faults for which no one set of persons is specially responsible. These claims merit attention.

Germany is in a somewhat similar position to Britain: but she has many advantages, which Britain lacks, for such work. It will therefore be well to look at her experience. Some of her industries which manufacture for export have little occasion to use imported half-manufactures: but others are much hampered by import taxes on the things which they need. It is true that such things are not heavily taxed; but the trouble of obtaining drawbacks on foreign products, which are worked into manufactures for exportation, is so great that proposals have been seriously discussed in Germany for setting up considerable free-trade areas surrounding some chief ports, in which work and trade may be unmolested by Revenue officers. A small free area round Hamburg docks already offers facilities for minor operations, especially those connected with transhipment for re-exportation. But more is needed even in Germany.[1]

Now Britain's exports of manufactures before the war were nearly twice as great relatively to her population as those of Germany. She owes much of her advantage as an exporter to the ease with which goods from all parts of the world can be used in each of her manufacturing districts. No country would lose nearly as much as she would from being unable to use foreign half-manufactures freely, unless drawbacks could be got easily; and no people, other than those of her own kindred, would resent so much the trouble and friction involved in getting petty drawbacks on small things. This is all the more important because many things which are "completely manufactured," even in the narrowest use of the term, are wanted by manufacturers for export as implements or auxiliaries of their work.

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[1] A large space in Germany's "Trade Statistics" is occupied with the details, always small and often trumpery, of imports which have been admitted free because they were to be re-exported after being finished (*Veredelungs-Verkehr*). The scheme has been gradually worked out with consummate skill; but its total results are meagre. A corresponding scheme for Britain would require a Germanic army of officials, and be very costly. It would lessen the Revenue derived from taxes on imports, while yet doing little to lessen the grievous hurt which they would inflict on her exporting industries.

There is indeed some force in the claim that a Protective tariff is needed to aid giant businesses in establishing a complete standardization on the most advanced modern model. But the economies of production on the largest scale are not those which belong to a single business, nor even to a single industry. They belong in the highest degree to a compact industrial district, such as Lancashire, where the productions of many correlated industries for sale at home and abroad work into one another's hands; thus getting what they need without obstruction, and without special inducement to dump in favour of the foreign purchaser.

Let us contrast Lancashire's industries with the German steel industry, which sprang into strength, as is well known, late in last century when a chemical discovery of British origin enabled Germany to turn to good account the cheap and abundant ores of Luxemburg and Lorraine; to which those recently opened out in north-eastern France have now been added. The industry was aided by a low Protective tariff, which was perhaps for the time beneficial to the country. But, as generally happens, the tariff was increased: and, largely in consequence, the shadow of an oligarchy of a few giant capitalists is already over the land. Smaller men are being suppressed; and in particular those, who work up half-finished materials, have to pay more than their full costs of production, while similar things go past them to be sold abroad at less than full costs.

The worst abuses of this practice were mitigated before the war began. But it has been used with some force as an argument in favour of protecting the British steel industry against malignant dumping; although it was carried to greater extremes against highly Protected steel industries in Italy and elsewhere than against the British. No good distinction has yet been found practicable between malignant dumping and the practice of selling abroad occasionally at relatively low prices, which obtains in almost every British industry.

In spite of the care and ability with which Germany has sought to make her tariff a source of Revenue, as well as an engine of commercial and political strategy, she has not succeeded in doing so: and Britain would be unlikely to succeed where she has failed. In 1913 Germany reaped about 2s. per head of her population from taxes on finished goods of all kinds (*Fertige Waren*): and it is probable that the population of Britain will need to contribute about a hundred times as much as this per head to her Exchequer after the war. Germany's taxes on manufactures were but small percentages on the values of the quantities taxed, which were themselves not nearly co-extensive with the quantities imported; since for one reason or another the sharp edge of nearly every tax on manufactures had had to be blunted: but there was no mercy for the food of the people. Her import duties on grain, even after allowing for large rebates and bounties on exportation, yielded far more than all those on finished and half-finished goods. Some advocates of protection for British manufactures will learn with surprise that her receipts from import duties on "raw materials for the purposes of industry" (*Rohstöffe für Industriezwecke*) yielded almost the same amount as those on finished goods, and more than four times as much as those on half-finished goods (*Halbfertige Waren*).[1]

Before going farther it may be well to point out that some adjustments of Protective duties, which have been recently advocated, fail to indicate clearly the full intensity of the Protection afforded by them. For as a rule the raw material of a manufactured product is admitted free, and half-products are charged at a low rate. But the high tax on finished manufactures is levied on their whole value, and affords therefore a much higher premium on the process of manufacture than is suggested by its rate.[1]

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[1] The leading groups of manufactures contributed about 10d. per head; cotton stuffs, yarn and thread yielded a little over 2d.; about 1d. per head was reaped from each of the following five groups:—iron goods, woollen goods and yarn, machines and rolling stock, silk and silken goods, and wooden goods. Less than ½d. per head was reaped from each of the two or three remaining groups, which were thought worthy of separate notice in the *Statistiches Jahrbruck*. The year 1913 was favourable to the tariff. Going back ten years, we find smaller items generally: and, pursuing the minute details given in the huge records of Germany's external trade, we find many sub-heads showing only a very small fraction of a farthing per head.

3. PROTECTIVE TAXES WILL NOT ENABLE BRITISH INDUSTRIES TO OVERTAKE THOSE WHICH HAVE OUTSTRIPPED THEM.

The steel industries require large capital, high ability, ever-ready initiative, and some scientific faculty. But the industries in which Britain has been most outpaced by Germany, have additional requirements. They need a long-continued investment of great masses of mental as well as material capital. Such are pre-eminently the dye and fine glass "chemical" industries; and, in a somewhat less degree, the electrical industries. None of them owes much to the tariff: for each has been ahead of foreign competitors almost from the start, in consequence of its abundant supply of mental capital. At first they owed much to the co-operation of public laboratories: but now their own vast laboratories, largely concerned with secret processes, put them above such aid. Their finances are, however, greatly assisted by the very low salaries which suffice for the "Scientific proletariat" that have been trained in public institutions. Their success suggests indeed a *primâ facie* case for a Protective tax as a subsidiary means of promoting the growth of a British dye industry.

But unfortunately, while Britain is by far the largest exporter of textile goods in which these dyes are used, she took only about an eighth of Germany's exports of them before the war, while China took about a fifth. Again, if, after the war, Britain cuts off her supplies of German dyes before she is ready with effective rivals from her own resources, aided by those of Switzerland, etc.; she will hand over a great part of her trade in the Southern hemisphere to Germany, and other countries which use German dyes.[1]

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[1] To take a somewhat extreme case: Suppose a manufactured import which contains £200 worth of material, and on which £100 worth of labour, etc. (profits included), has been spent, to be taxed at the rate of 20 per cent.—so that it cannot be sold at less than £360; then a home producer, who could obtain the material untaxed, would receive a bounty at the expense of the consumer of £60: i.e. 60 per cent. (not 20 per cent.) on the £100 of labour, etc., which he expended. Even if he had to pay a tax of 10 per cent. on his material, his bounty would be 40 per cent. on his outlay.

To speak generally: when it appears that an industry needs the sinking of several millions of capital in scientific and other preparatory work, spread over many years, before it can speak on even terms with a German or American industry which has got the start over it; then the best remedy is a voluntary association of British manufacturers and traders, who have some special interest in the matter, and who unite their resources to set up the industry in full strength. For this purpose they may reasonably receive a good subsidy from the State, which, on the one hand, should defend them, more carefully than seems to have been done in the past, against foreign patents designed to hamper the growth of a British industry; and, on the other hand, should provide against the danger that the new industry may be tempted to make selfish use of monopolistic strength. Meanwhile State Laboratories and University Laboratories, subsidized by the State, should be required to undertake suitable inquiries on behalf of the industry. But all this absorbs Revenue: and therefore a small duty may reasonably be levied on imports which compete with the products of the new industry; and a heavy duty on any of them which can be shown to be often "dumped" in the British market at an exceptionally low price for the express purpose of crushing the new industry.[2]

The scientific foresight of the Germans has enabled them to obtain control over a long series of "key" metals, some of which have their sources exclusively in the British Empire. This control does not seem to have been much abused so far: but many of the compounds into which these metals enter are vital as materials, if not for munitions of war, yet for the appliances by which munitions are fashioned. This is a matter in which new conditions seem to call for some departure from that liberal policy which has served Britain well in the past: the far-reaching military designs of Germany seem to require that some restrictions should be imposed on the nationality of the ownership of these sources. But the key metals of to-day are not those of a few years ago: and restrictive measures by taxation are but a poor substitute for constructive energy, which may outpace the Germans in finding out what will be the key metals of the coming generation.[1]

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[1] The following figures of Germany's exports of the three chief groups of dyes in 1913 in million marks may be of interest. Total, 216 : to Britain, 28 ; Russia, 8 ; France, 5 ; Italy, 11 ; Japan, 14 ; China, 45 ; United States, 38. The average value of all was not far from 2 marks for a kilogram ; say 1s. a pound.

The initiative having been taken by the Royal Society, a great plan for organizing the best scientific ability of the country in the aid of her industries was promulgated in the first annual "Report of the Committee of the Privy Council for Scientific and Industrial Research" [Cd. 8336].

[2] The scope of this chapter does not permit an inquiry into the various aims and methods of remedies. But reference may be made to the study of "Constructive Measures" in §§ 94–132 of the Memorandum on "The Industrial Situation after the War," recently issued by the Garton Foundation.

4. THE POLICY OF IMPORT DUTIES ON SOME KINDS OF FOOD, CONSIDERED IN RELATION TO THE NEW REQUIREMENTS OF NATIONAL DEFENCE.

Before the war it seemed clear that the vastly greater purchasing power, in terms of wheat, given by the wages of British workmen over that of the wages of corresponding classes in Germany and other countries with high Protective tariffs on foodstuffs, was too great an advantage to be abandoned, merely on the ground that in a war Britain might be forced to restrict her total imports. It was argued that, though comforts and luxuries and many sorts of raw materials might be in reduced supply, yet the necessary quantum of wheat could always be brought in by aid of convoys, or otherwise. It was urged that a rich man's family eat less than a working man's, because their appetites are largely assuaged by more expensive foods: and therefore a tax on bread involves an inverse graduation of the burden of taxation in its most extreme form. Stress was laid on the wastefulness of the intensive cultivation by men, women, and children on the land at home; while much less expense would bring better supplies from land which only needed to be scratched in order to blossom with grain: for the cost of transport of grain from the centres of distant continents to British harbours had become less than that of moving it a few miles by land had been a century ago.

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[1] "The Report of the Tariff Commission on War and British Economic Policy," issued in March 1915 (MM 56) contains well-digested matter, helpful even to those who do not concur in its tendencies.

The argument was conclusive, on the assumption that adequate supplies of food and other necessaries could be convoyed to our shores in reasonable security. But recent developments have made that assumption questionable ; and some measure of Protective policy in regard to necessary food supplies may need to be accepted as an insurance against disaster. Britain by herself is not able to contend on equal terms against the military and naval forces, including those below the surface of the water, which may be brought against her : and while almost every part of the British Empire is liable to become a cause of contest, Britain may have to rely in the main on her own resources for defence against an enemy near at hand. It may therefore be good economy to spend a considerable sum annually on insuring both the maintenance of fairly large stocks of necessary food and some other things in the country ; and so considerable an increase in the area of land under tillage, together with so ample a supply of trained female labour ready for the lighter work of the farm, that large harvests can be secured when importation has become difficult.

The case for such a policy has been prejudiced by the assumption of some of its advocates that, independently of the risks of war, agricultural progress is to be measured by the increase of output *per acre* : whereas, if the home supply could be supplemented securely by cheap importation from abroad, it ought to be measured by the increase of output *for each thousand workers* on the land : so measured, Britain compares favourably with other countries, in spite of her neglect of the general and technical education of her agriculturists.

Even if it be desired, for any special purpose, to measure progress by the output per acre, there is no good ground for the suggestion that Germany's recent advance is to be attributed to the Protective duties on food, which have compelled her working classes generally to be content with a meagre diet, while the rapid increase of their skill and intelligences was providing large fortunes for their employers. For, as Professor Naumann argues, while admitting that she cannot now change her policy in regard to agricultural Protection, the progress of her agriculture in recent years has been at about the same rate as under the more liberal Caprivi policy : and he adds that " comparison with duty-free agriculture in Switzerland, Belgium, Holland, and Denmark shows that the improvement is at least as great in the duty-free countries as in those with Protective tariffs."[1]

Germans, when praising the fertility of the English soil, have in mind chiefly the power which much of it has of yielding rich crops of grass without labour: and there seems no good reason to suppose that nearly all of it would be ploughed up if it were under German management. But, since the military situation seems to require that the country should greatly diminish her dependence on imported supplies of grain and meat, it may probably be well to plough up a great deal of land, selected under expert advice, as capable of yielding under the plough, with but moderately expensive methods, a considerable quantity of grain, together with fodder for about as many cattle as used to be nourished by its grass.[2]

Co-operation among farmers and better technical education may do much to insure the country against shortage of food. No abstract principle should stand in the way of taxes on its importation if they would work well. But an artificial rise in the prices of staple foods is not lightly to be contemplated. Heavy taxes on imports of them from other parts of the Empire would be a great evil: and, as we shall see presently, import duties from which they were exempted would have little effect. But some slight movement in that direction might be accompanied by low taxes on grass land from which land under the plough was exempted, and by other measures, among which might be a low premium on the storage of grain: for that would help the British farmer more than the importer, and would induce the importer to store his grain here. The grain must be stored somewhere: the erection of granaries here would not cause additional cost in the long run.[1]

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[1] "Central Europe," pp. 226–7.

[2] Mr. Middleton's important report on "The Recent Development of German Agriculture," 1916 [Cd. 8305], tells us that the production per acre under arable cultivation is as high in Britain as in Germany: but that two-thirds of the cultivated land in Britain are under grass, and only one-third in Germany. Allowing for this and for the fact that a large number of the agricultural workers in Germany are women, and that a good many more are not permanently employed, this is not a bad showing as to the efficiency of British work. For the average number of persons engaged in agriculture per hundred acres was, by Mr. Middleton's reckoning, 5·8 in England and Scotland, against 18·3 in Germany. Statistical records of agriculture are a little unkind to Britain. Germany was credited before the war with fifty million tons of potatoes and ten million pigs: but the pigs eat a great part of the potatoes; and the swedes, etc., which British cattle eat are not counted. Very little beef is eaten in Germany: the cattle are mostly middle-aged and calves; they do not eat nearly as much as the British ox who is being made ready for slaughter. When talking with German economists on such subjects, I found that they did not know that the British statistics of horses relate only to those on the farm.

Whatever public expense is incurred for such purposes should make for public ends: it should leave unaltered the position of the landowner, save in so far as he directly contributes to the expenses of increased production. The people must suffer by paying more for their food: the Exchequer must not expect to gain anything *net*, and it may lose; the farmer and labourer, who produce more, should gain more. But the landowner should gain only what can be shown to be due to additional outlay on his part for the improvement of the yield of the land.

It seems that the most economical production is on very large holdings, where many workers are supplied with the best appliances and direction by their employer; and on small holdings, where every one works with his or her hands. If the facts are as here suggested, some account of them might be taken in the adjustment of taxes on agricultural land.

5. TENDENCIES TOWARDS PREFERENTIAL TARIFFS ARISING OUT OF THE EXPERIENCES OF THE WAR, AND THE INTERNATIONAL REGARDS ENGENDERED BY IT.

We have so far been occupied almost exclusively with economic considerations, though these have been to some extent modified by the new military situation; but now we have to take account of political, and even emotional influences also. The dominant fact, so far as Britain is concerned, is the intensity of the affection which her Dependencies, and especially the Dominions, have manifested for her: and scarcely less notable is the persistent mutual loyalty of the Allies in their common defence of the vital interests of mankind. It is only natural that those who have previously been inclined towards a Protective tariff policy should consider whether these cordial sentiments can be materialized in Preferential tariffs ; and this suggestion is not without attraction even for those who, like the present writer, believe that simplicity, elasticity, and freedom from all need for intricate negotiations are those qualities of a policy of international trade which are most conducive to national prosperity and to permanent international goodwill.

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[1] Perhaps a premium on all wheat in a store in excess of a few tons might be granted at the rate of 2s. per ton on each of, say, the first Tuesdays in January, April, July, and October: that is 8s. annually. There would be some large stores owned by Government, or traders, in which any one might deposit grain on payment: but any one might apply for recognition of a store-house. He might be bound to post sworn statements on the preceding Mondays as to his store, and not to open it on the following two days except in the presence of an Excise officer. Perjury would be severely punished, and therefore only occasional verification of such statements would be required. Similar provisions might be applied to oats, for which the British climate is well suited.

It has been proposed to set up a group of Preferences, the highest of which would be confined to the British Empire, and the next would be given to our Allies ; while, in some schemes, the Central Powers would be subjected to tariffs of exceptional severity. A weak point in many such proposals appears to be the low place to which they relegate Britain's first great colony, in strong contrast to Adam Smith's loyalty to her.

It is obvious that Britain cannot grant a Preference on imports from any country, unless she first imposes a tax on imports from other sources. As few are willing to propose import duties on wool, cotton, and other important raw materials of manufacture, this leaves her without any very important Preference to be granted to the rest of the Empire, except in regard to food : and here the first place is given to staple grains and meat.

Since there is much to be said for her levying an import duty on staple grains, in order to extend the area of her arable land for purely military reasons, this proposal seems at first sight to have an easy course. But it does not work out easily. If Empire grain is admitted free and Argentina grain is not, then Argentina grain will oust Empire grain partially or wholly from other markets ; and Britain will be supplied almost exclusively from the Empire at about the same prices as before ; she would then in effect levy scarcely any tax on grain, and there would be no considerable rise in prices and no effective Preference. If, on the other hand, Empire grain is taxed at a rate lower than that levied on other grain, then the British people will pay increased prices on all their grain, from whatever source it is derived ; and only a part, probably not more than half, of this extra payment will be effective in extending the area of arable cultivation in Britain : she will thus make a valuable present to other parts of the Empire at great cost to herself.

If this were done as a free gift, it would be a splendid generosity: but such gifts are commonly expected to meet with some return; and experience shows that business transactions among relatives and friends are dangerous. In negotiations with strangers every one is apt to estimate his "fair" claims at points somewhat higher than seem reasonable to the other side; but he generally accepts, without much rancour, what he can get. On the other hand, he thinks that a relative ought to be at least "fair," if not generous, in his dealings: so, when relatives bargain, each is apt to expect more than he could get from a stranger; and each has some feeling of grievance if he is disappointed. Canada and Australia might probably rate the importance to Britain of any Preference they gave to her manufactures over those of France, United States, etc., higher than she did; and she might rate more highly than they did the importance to them of any Preferences she gave to their grain over that of America, Argentina, and Russia.

Again, France has already given a hint that the great iron and other industries of her Eastern territory, the coal of Lorraine being left out of account, would not be willing to reject German coal in favour of British coal. It may even be said that her Eastern and Western Provinces generally have divergent interests in regard to tariff arrangements with her Eastern and Western neighbours. Again, there may probably be seen a rise in importance of the shores of the Pacific Ocean towards equality with those of the Atlantic: and tariff arrangements, which on the whole are acceptable to the Eastern Provinces of Canada, may be of little benefit, and considerable hurt, to her Western. External Preferences that give rise to internal discord are likely to have harmful results, economic, political, ethical, and even military.

Difficulties of this kind will be found to open out in every direction if specific details of plans for graduated Preferential duties are considered closely: and they are in addition to those evils which, as has already been indicated, are inherent in every Protective system. But they are likely to press more hardly on Britain than on any other country, because they would eat into the heart of those export industries on which depend her economic strength, and especially her power of bearing the grievous pressure of taxation that lies before her.

It is true that she is in a strong strategic position in regard to trade with Germany: for she is already able to supply herself with nearly all the things which Germany exports; and she hopes soon to fill up the most important gaps. But for that very reason her moral position is exceptionally weak. For the heavier the taxes—to say nothing of prohibitions—which her Allies and Dependencies set on German goods, the better will be her opportunities for supplying similar goods in larger quantities and at higher prices. If any action of hers gives colour to Germany's ceaseless charges, that she organized the war in the interests of her own industry and trade; then she will inflict on herself a deadly injury, from the effects of which she may never quite recover. Bernhardi, and others who have spoken or acted on fierce Machiavellian lines, have been chief authors of that uprising of the world against Germany which seems likely to put a just end to some of her ambitions: if Britain tries to turn victory to her own special benefit, she will commit a scarcely less fatal error.

There is another danger of the same kind, though on a smaller scale: it is, that she may pay too much attention to eager traders and others who press their special desires on the attention of the Treasury and the Board of Trade; and forget that the trusteeship which she holds is the largest, and up to the present time has on the whole been the noblest, that the world has ever known. Her Allies indeed can speak for themselves at every international Conference: and Canada, Australia, and South Africa can, in various degrees, keep themselves acquainted with what is going on, and cause their opinions and wishes to be communicated to British representatives at a Conference; and these influences are likely to be further increased. But the populations of India and the Crown Colonies have less influence in the matter. India's trade with Germany is very important: therefore Britain is bound to consider India's interests as much as her own in all negotiations about it. The trade in Canada's nickel, and Australasia's tungsten, hitherto largely in German hands, can be controlled in accordance with the wishes of those Dominions: but Burmah's great export trade in tungsten, and that of Britain's numerous Crown Colonies in their various specialities, raise ethical rather than economic problems. If, on the whole, it seems right that any of them should be solved with dominant reference to Imperial exigencies rather than to local advantage, then some compensation should be made in other ways.

Some of the arguments on which representatives of British industries are basing claims for Protective duties in their own favour tell even more strongly for granting Protection to cotton manufacturing and some other industries of India. It has often been said, and perhaps with truth, that the greatest political achievement in the history of the world has been the upright and unselfish administration of India by Britain. But for two generations it has been clear that some of the pleas of Indian industries for Protection are stronger than any which could be put forward for British industries. Inquiries, partly created by the war and partly made prominent by it, have furnished some new strong arguments in favour of a limited Protection to a few British industries. But if even a touch of approval were given to the immoderate claims put forward in some of the answers of representatives of great industries to a recent circular of inquiry issued by the London Chamber of Commerce, while all Protection were withheld from Indian industries, Britain would appear to abdicate her great place as ruler of India in India's interests.

These ethico-political considerations reinforce the strictly economic reflections, indicated above, that a broad system of Protective duties would deprive Britain of the strength which has enabled her to carry the chief financial burdens of the war, would confer some benefits on particular industries at the cost of much greater injury to the people at large ; and would lessen the funds available for paying pensions to wounded men and to widows ; and for lowering the present mountain of debt, which may threaten to turn some peril of a later generation into disaster.

CHAPTER XIX

National Thrift

By ARTHUR SHERWELL, M.P.

NO matter more intimately affects the economic and social development of a nation than the wise control of public and private expenditure and the proper and profitable utilization of national and personal wealth. The obsolescent formula of the so-called Manchester school of political economists, "Peace, Retrenchment, and Reform," however questionable in some of its proposed applications, summarized in one at least of its elements an injunction and a warning which no nation ambitious of real development can refuse to respect.

It is the unfortunate habit of formulas, however, to lose their influence and potency in the rush of changing circumstances even when, as in the case quoted, the truth which they enshrine is of fundamental and enduring force; and it must be admitted that the doctrine of economy in public and private expenditure has suffered an eclipse from which even the, at present, incalculable social and economic consequences of a world tragedy has been unable to deliver it. The formula of "Retrenchment" suffered, as a political doctrine, partly from the narrow and unimaginative way in which it was sometimes sought to apply it; but chiefly from the undreamed of expansion of national wealth and from collision with new social ideas which demanded experiments without a strict regard to their structure or cost. Our system of party government, with its rival cries and programmes, and the ever-increasing, and largely unchecked, powers of the Executive, in turn tend to foster extravagance.

But whatever the causes, we have moved far from the spirit, as also from the conditions, of a time (less than sixty years ago) when a statesman of the position of Mr. Disraeli could declare in the House of Commons that "there is no country that can go on raising seventy millions in time of peace with impunity"; or when a Chancellor of the Exchequer felt constrained to resign (as did Lord Randolph Churchill in 1886) because he could not consent to Army and Navy Estimates aggregating thirty-one millions! Such times, to a generation complacently tolerant of a pre-war Budget of £200,000,000, seem almost as legendary as Bolingbroke's lament that parliamentary aids, aggregating in eight years a total of £55,000,000, constituted "a sum that will appear incredible to future generations, and is so almost to the present."[1] Even to a historian like Hume, who regarded indebtedness contracted upon parliamentary security as a "pernicious practice" and "the more likely to become pernicious the more a nation advances in opulence and credit," the then indebtedness of the country (nearly £150,000,000) threatened "the very existence of the nation."[2]

These forebodings, by men who could not anticipate the developments of modern trade and industry nor the consequent expansion of the national wealth, appear unreal and even fantastic to a generation like the present, which confounds economy with parsimony and is exhilarated rather than depressed by the dimensions of modern Budgets. And yet the enormous and increasingly rapid growth of national expenditure in recent years is a matter of more than academic importance, especially for those who take the broadest and most liberal view of the value of State activity in the organization of social progress. In Mr. Gladstone's first year at the Exchequer (1853) the gross ordinary expenditure of the country was approximately £56,000,000; by 1865 it had risen to £65,100,000; in the mid-seventies (1874) it was £74,000,000; by 1880 it had grown to £82,000,000; and in 1893 (Mr. Gladstone's last year of political office) it was £91,300,000. Thus in a period of forty years it had increased by 63 per cent. Since Mr. Gladstone's retirement the national expenditure has grown to dimensions of which he certainly never dreamed, and which, whatever the causes or justification in policy, would have filled that stern economist with forebodings and alarm. In 1913-14, the last pre-war year (and less than thirty years from the day when Lord Randolph Churchill's prediction of a hundred million Budget was greeted with incredulity as "unduly pessimistic"), the national expenditure had risen to £200,000,000.

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[1] 'Some Reflections on the Present State of the Nation."

[2] "History of England," 1778, vol. iii, p. 215.

Now it may be admitted at once that a peace Budget of £200,000,000 is not in itself a peril nor, assuming the proceeds of taxation to be devoted to really economic (i.e. remunerative and reproductive purposes)—a crucial and vital assumption—is it out of proportion to the nation's wealth. At the same time, in view of the pre-war temper of the nation, and especially in view of inevitable post-war changes in international conditions of which the effect is at present largely incalculable, it is necessary to remind ourselves of an almost forgotten truth that high taxation is not in itself an index of real prosperity. It may easily be the symptom of a spendthrift policy which issues in disaster to a nation's interests and ideals. There is much truth in Bentham's statement that "hand in hand with waste is to be found taxation," and also in his further statement that "in the case of a tax there will always be a portion of evil, the quantity of which will be the same, be the produce ever so great or ever so small." Lecky, whose historical knowledge and judgment will be respected even by those to whom his political opinions do not appeal, warned us that "nations seldom realize till too late how prominent a place a sound system of finance holds among the vital elements of national stability and well-being; how few political changes are worth purchasing by its sacrifices; how widely and seriously human happiness is affected by the downfall or the perturbation of national credit, or by excessive, injudicious, and unjust taxation." This is what Lord Randolph Churchill had in view when he reminded his political chief that expenditure and finance "involve and determine all other matters." No country, however wealthy, can afford continually to increase its budgets and to multiply its taxes without a full assurance that the national revenues are being economically used and devoted to really remunerative and reproductive purposes (i.e. the provision of efficient "goods and services").

Even when this assurance is present there is the danger in high expenditure that imperceptibly, but by increasingly accelerated stages, it may foster a spirit of extravagance which is impatient of checks and enthusiastically indifferent to future consequences. As Mr.

Gladstone warned the House of Commons in 1863, "together with the so-called increase of expenditure there grows up what may be termed a spirit of expenditure, a desire, a tendency prevailing in the country, which, insensibly and unconsciously perhaps, but really, affects the spirit of the people, the spirit of Parliament, the spirit of the public departments, and perhaps even the spirit of those whose duty it is to submit the Estimates to Parliament."

No one who has watched at all closely the character and course of political demands in recent years, or the attitude and temper of Parliament in respect to public expenditure in the years immediately preceding the war, and not least the dangerous innovation which associated the organization and direction of important and valuable, but necessarily costly, social experiments and policies with the Treasury Department, can say that Mr. Gladstone's warning is not needed to-day. Political conditions and national circumstances are greatly different from those of 1863, and political parties are properly influenced by social ideals and by an expanded theory of State responsibility for ordered social development which represent a considerable advance in political thought; but the changes, so far from destroying the force of the warning, make Parliament and the nation more susceptible to the "spirit of expenditure." Nor is it clear that the danger will be removed by the stupendous experience and burden of the war. On the contrary, if history repeats itself, it may actually be aggravated by the war. Our previous wars have bequeathed to us not merely a burden of indebtedness, but a familiarity with enlarged standards of expenditure which has weakened the sense of responsibility and tended to profligacy in the great departments of State. That was notably the effect of the Crimean War which, as Sir Stafford Northcote truly said, had "begotten in us a habit and even a taste for expenditure such as it is much easier to acquire than to get rid of."[1]

It is, of course, true that large public expenditure is not in and of itself a source of national danger or weakness. Mirabeau, indeed, held that "the more the individual pays, and the more the public spends, the happier are the people." And his reason was: "Because the contributions of the individual are nothing but the service which he renders to the public; and the expenditure of the public, likewise, is only the guardianship of individuals or the surety of the equivalent which they should receive." This view of the "beneficencies of taxation" is clearly tenable if the objects aimed at are reasonably guaranteed; if, in other words, our machinery for expenditure, and especially our methods of Parliamentary control, provide us with a reasonable security for the wise and economical use of public revenue. That is essential. Granted such security, an expanding Budget would be a token of progress instead of a symptom of extravagance and danger.

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[1] "Twenty Years' Financial Policy."

But apart from the fact that existing Parliamentary and administrative arrangements do not give us this security, and that the conditions under which party government is now maintained in this country do not favour it, the view suggested is not in any sense destructive of the doctrine of economy. On the contrary, it becomes fruitful and beneficent in proportion to the efficiency of our administrative arrangements and to the vigilant practice of economy. Expenditure unaccompanied by vigilance breeds reaction. Economy is not parsimony, nor is it indifference to the idea of expansion and development. It does not imply a negation of State enterprise. It is concerned solely with the profitableness of expenditure. In Professor Cannan's words, economy "is the best utilization of available means." Burke, adapting an old Latin saw, put the true view tersely and completely when he described a system of economy as "itself a great revenue."

The war, whatever its other consequences, has certainly forced the question of national economy and thrift into the foreground of national duties.

This is the result not merely of the vast burden of debt which the war has imposed on the State, or of the new conditions which the wholesale destruction of life and wealth must create: it is also a consequence of the disclosure of faults and deficiencies in our methods and system of organization.

"War," said a Minister recently in the House of Commons, "is waste." In the strict economic sense the dictum is incontestable, but in the narrower administrative sense in which the words were used war need not be, and, in a properly organized State, ought not to be, waste. The cost of the war under any circumstances would have been stupendous, but if, to take a principal condition first, our organization and preparedness had been what the information available only to an Executive suggests that it should have been, there can be little doubt that some hundreds of millions of pounds could have been saved. Or, to take a condition of smaller but vital importance, if the lessons learned more than a decade before in South Africa had been embodied in pre-war organization, the cost of the war would have been considerably reduced. The wastefulness of war in the administrative sense is due to inadequate or faulty organization. Deficient organization is ever the prolific parent of waste. No more depressing evidence of our characteristic neglect of the foundations of thrift could be provided than is indicated by the accumulating, but still far from complete, evidence of administrative incompetency and shameful extravagance in the strictly business management of the war. The emergency, it is true, was urgent and unprecedented, but the scandals which have so far been exposed betray an indifference to expenditure and a lack of rudimentary prudence which stamp the administrative services of the two principal spending departments of the State as incredibly inefficient and untrained. The matter has still to be fully investigated, but the information already available in Parliamentary discussions and in the Reports of the Committee of Public Accounts suggests a task of reorganization and reconstruction upon which Parliament must strenuously insist.

But the matter has an importance and an urgency outside the range of these particular revelations. The war has precipitated a general stocktaking of resources and organization which was plainly urgent before the war. Our administrative and financial organization and arrangements, despite repeated modifications and improvements, are imperfectly adapted to meet the requirements of the very notable developments in State action and policy which have occurred since Mr. Gladstone's day. This enlargement of the sphere of State action and responsibility is the outcome of social ideas which the war will not quench but will rather stimulate. The old demands will be followed by new and politics will expand into a science of reconstruction. Such expansion may be the truest form of national thrift if it be founded upon efficient organization, and if the checks against departmental extravagance and incompetency are adequate and sure. Our resources are great if they be not wasted.

It must be admitted that in recent years concern for expansion in State enterprise has not been accompanied by an equal concern for efficient and economical administration. Reliance has been placed upon a Treasury system of supervision and checks which automatic expansion of departmental activities had already heavily taxed and from which the scrutiny of Parliament was by force of circumstances largely removed. It is probable that if some part of the very considerable time which Parliament has devoted in the last ten years to discussion of the sources of revenue had been devoted to investigation of the avenues of expenditure, the result would have been to the advantage of the taxpayer and of the State. Be that as it may, one of the first tasks in the impending period of national reconstruction must be a full and searching inquiry into the objects and machinery of expenditure. This should include not merely the equipment and costs and services of the State Departments, but, what is much more important and urgent, the efficacy and adequacy of our existing arrangements for financial control.

Theoretically and constitutionally the supreme control over finance devolves upon the House of Commons, and the business of Supply is still by tradition the most important work set down for its consideration. In point of fact, however, the control of the House of Commons over finance is exceedingly limited, and the provision of Supply tends to become more and more formal and perfunctory. This is the result partly of an accentuated system of party government, but chiefly of new and revolutionary changes in Parliamentary procedure which give enormous and dangerous powers to the Executive at the expense of the Legislature. Under the present standing orders not more than twenty days in any session are "allotted"[1] to the consideration of the Annual Estimates (including Votes on Account). These must be days before August 5th. As consideration of the whole of the votes submitted to Parliament is impossible within the prescribed period, it is customary to leave the selection of the votes to be discussed to the Opposition Whips, although other political parties may and do prefer requests through the usual channels for a particular vote to be taken. The choice

[1] An allotted day is one on which Supply is put down as first order.

is invariably made on non-financial grounds, and discussion for the most part turns on matters of administrative practice and policy rather than on the details of the vote. Some of the matters raised are of comparatively trivial importance, as, for instance, in a recent year, when a large part of the day allotted to the Post Office Estimates was absorbed by a discussion of disciplinary proceedings connected with the love affairs of a provincial postmaster! Valuable time is thus wasted, and important votes involving expenditure of millions of pounds are used as pegs for the discussion of grievances which might well be referred to a Standing Commission or Committee.

An unfortunate feature of the case is that neither the departments nor the Government have an interest in more efficient procedure. As things are, the Government is sure of its votes by simple effluxion of time. At 10 p.m. on the last but one of the allotted days the Chairman of Committee, under the powers of the "guillotine," forthwith puts to the House every outstanding question on the vote then under discussion, and immediately thereafter every other question relating to the Civil Service Estimates and the outstanding votes in the Estimates of the Navy, Army, and Revenue Departments. Similarly, at 10 p.m. on the last allotted day, Mr. Speaker repeats the process on the report stage of the Votes. In this summary way vast sums of public money, amounting it may be to fifty or a hundred millions, are voted to State departments without a word of debate by the mechanical process of the guillotine. The procedure has long been a scandal and a discredit to Parliamentary authority and prestige. It reduces control to something less than a form, and grows as a peril *pari passu* with the expansion of State activities. It may not be possible or desirable to conform our procedure to the Continental practice by embodying the Estimates of both revenue and expenditure in a Budget Bill and submitting them in that form for Parliamentary approval. A change of this kind would be useless, apart from corresponding changes in the procedure and controlling powers of Parliament. What is urgently wanted to revive and to enlarge the financial control of Parliament is the appointment by the House of Commons from its own members of a strong and representative Standing Committee on Finance, by whom the Estimates could be thoroughly examined and analysed before they were laid before Parliament and whose report would be submitted with the Estimates. Such a Committee should have power to interrogate Ministers and permanent heads of departments and to obtain such detailed information as might be required to justify or to question the grants proposed. Some supervising machinery of this kind is indispensable if an effective Parliamentary check is to be secured against extravagance and waste, and if the House of Commons is not to become a purely mechanical instrument for registering the decisions and demands of the Executive. Such an arrangement, while securing thorough and necessary scrutiny of the Estimates, would leave undisturbed the opportunity for Parliamentary discussion of important matters of administrative practice and policy.

The suggestion is not a novel one in principle, although in its intended scope and effect it goes much farther than the disposition of successive Governments has hitherto approved. In 1903 a Select Committee on National Expenditure recommended the appointment of a special Estimates Committee; but the recommendation, although repeatedly pressed upon the attention of the Government, was not acted upon until April 1912, when a Sessional Committee on Estimates, consisting of fifteen members (with five as a quorum), was appointed "to examine such of the Estimates presented to this House as may seem fit to the Committee, and to report what, if any, economies consistent with the policy implied in those Estimates should be effected therein." Under the original motion made by the Government the Committee was merely empowered "to examine and report" on the selected Estimates; and the explicit reference to possible economies was added by the vote of the House. The Committee sat during 1912, and was reappointed in 1913 and 1914, but no report for the last-named year (save a covering note to the incomplete evidence taken) has been published. The Committee has not been reappointed during the last three years. The Committee, it will be seen, had no authority to investigate matters of policy, for which the Executive (subject, in the larger matters, to the approval of Parliament) is alone responsible; nor did it attempt a survey of all the Estimates. The Estimates of one department only were taken each session. Its reports were "mainly confined to questions of form and to examination of the methods of estimating and the justification of

Estimates," and its work tended to dovetail into that of the Committee of Public Accounts which annually examines the audited accounts of the public departments. Within the narrow limits to which it was restricted the Estimates Committee did useful work, but its existence was too brief to allow it to impress its influence in any marked degree upon the Estimates. Nor, as hitherto constituted, is it physically possible for such a Committee to undertake the detailed review and scrutiny of all the Estimates which is imperatively required if Parliamentary control is to be efficient and real.

As things have lately tended, and as is inevitable under the growing congestion and increasing preoccupations of Parliament, control drifts more and more from the House of Commons to the permanent State officials, and Treasury discretion is the safeguard upon which the taxpayer has chiefly, and almost exclusively, to rely. The Public Accounts Committee—by far the most important Parliamentary check upon departmental inefficiency and extravagance that now exists—has a long and honourable record of fruitful public service to its credit, but its work is of a special kind. It is concerned solely with the audited accounts of the different departments, and it can only report on expenditure when it has been actually incurred.

The supervision of the Estimates by the Treasury is, as the Select Committee on Estimates said in its Report for 1912, "a real check upon the Service," but, as it pertinently added, "the question arises whether it is sufficient." It must not be forgotten, as the Committee on Retrenchment in the Public Expenditure recently pointed out, that the Treasury has certain functions of ordinary administration which it must necessarily perform in connection with the imposition of taxation and the collection of revenue; and while we fully agree with the Retrenchment Committee's view that "every step should be taken to restrict its [i.e. the Treasury's] activities as a spending department so that it may be as free as possible for exercising the very important duty of securing public economy and financial regularity," it must be insisted that gains in this direction do not compensate the taxpayer for a lapse in Parliamentary control. The Committee on Estimates, in 1912, appreciative of the part which constitutional usage and law have, with deliberateness, assigned to the House of Commons as the supreme guardian of the public purse, "hoped" and "believed" that its own work would "become a very real and useful part of the machinery employed for securing economy and efficiency in the preparation of the Estimates presented to Parliament," but experience, through no fault of the Committee, has failed to justify that hope.

It should be one of the earliest tasks of Parliament, in the stocktaking that must follow the war, to investigate and to review the entire position.

But it is not merely in respect to the consideration of the Estimates that the preoccupations of Parliament and the mechanical rules of procedure weaken and destroy control. New and far-reaching projects of reform, involving in many cases the annual expenditure of considerable public funds, are forced through the House in an increasingly undigested form, and considerable, and often material, sections of important Bills are "guillotined" without discussion. The important and costly Insurance Act may be cited as a case in point. It is true that the money resolutions of such Bills are separately discussed, but such discussion is necessarily an imperfect safeguard when the structure and details of the scheme upon which cost is dependent are not fully considered. The Insurance Act is but one illustration of a method of Parliamentary procedure which, apart from its arbitrariness and clumsiness, inevitably tends to financial extravagance and waste. That it is an important illustration is plain from the fact that Health Insurance, with its kindred services, now involves an annual charge on public votes amounting to close upon £8,000,000.

It is a tradition in British politics that the Chancellor of the Exchequer is the watch-dog who jealously guards the public purse, and no doubt a powerful and masterful Finance Minister can exercise a salutary influence in the direction of economy. No Chancellor of the Exchequer has ever succeeded so well in stamping sound and economic administrative principles upon State departments as Mr. Gladstone. The Chancellor of the Exchequer, in his expressed view, is "the trusted and confidential steward of the public. He is under a sacred obligation with regard to all that he consents to spend."[1]

Mr. Gladstone's own enthusiasm for economy led him to take cognizance of the smallest details of departmental expenditure, and, on one occasion at least, he did not think it derogatory to his high position to make representations concerning the wasteful use of stationery in the Government departments! To him the country owes the appointment, in 1861, of the Public Accounts Committee, and the still greater gain of the Exchequer and Audit Act which, with the material assistance of Mr. Childers, was passed in 1866. That Act established for the first time a complete system of effective audit over departmental expenditure, and—to quote the opinion of the late Lord Welby—was unquestionably "a reform of the greatest administrative importance."

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[1] Speech at Edinburgh, November 29, 1879.

Even Mr. Gladstone, however, powerful as he was, and rigid as were his views and practice, had persistently to fight for his economies. In a letter to Mr. Cobden, written in 1860, he wrote: "I speak a literal truth when I say that in these days it is more difficult to save a shilling than to spend a million." The truthfulness of that statement many of his successors, struggling with the demands of a later and more eager generation, have painfully endorsed. Mr. Gladstone, it is true, belonged to a school of political thought which could hardly foresee the expanded demands of a quickened national spirit, and his theory of economy was more rigid, and perhaps less considerate of the real economy of fruitful expenditure, than a generation moved by modern social impulses could approve; but his instinct for the dangers attendant upon a "spirit of expenditure" is of enduring value and force.

But while a Chancellor of the Exchequer can do much to impress his views upon the spending departments, the effectiveness of his influence depends, first, upon his personal sympathies with economy, and, second, and to an immeasurably greater extent, upon his authority in the Cabinet. The limits and difficulties of revenue production naturally tend to make him an economist; whereas the exigencies of policy under the party system of government may supplant or override considerations of economy in the Cabinet. And it by no means always happens in modern Governments that the Chancellor of the Exchequer is, apart from the Prime Minister, the dominant personality in a Cabinet. His responsibility is traditional and constitutional, but it requires to be reinforced by Parliamentary vigilance and review.

It does not fall within the plan of this chapter to discuss in detail the channels available for the practice of economy. The main expenditure of the country is of course dependent on policy, external (or imperial) and domestic, and this is, and as things are must be, outside the complete control of Parliament. The unlimited control hitherto accorded to the Cabinet in relation to foreign affairs has financial consequences which cannot be kept out of account in a consideration of national expenditure, and its possible modification in safe and practicable directions on this account, if not on others, may presently require investigation. In the sphere of domestic legislation, which has made substantial and growing demands upon public revenue, economy is to be sought not in opposition to legitimate demands founded upon a reasonable claim for social betterment, but in a closer investigation of legislative proposals and in a resolute insistence upon economy in the machinery of administration. The party system of government, nurtured as it is on appeals to popular programmes, and sustained by legislative machinery which almost automatically registers the decisions of the Executive, has dangers which qualify its advantages, and these become more apparent as the social ideals of a democracy quicken and expand. The scrutiny of Parliament becomes less searching and thorough, and legislation suffers in efficiency and utility and, too often, in permanent cost.

The result is good neither for the particular scheme of reform, which starts its career with defects which adequate discussion might have disclosed, nor for the taxpayer, whose burden is increased by the cost of all extravagance in the provision of administrative machinery.

That this is not an exaggerated danger any one with recent Parliamentary experience will know. Others without that experience may find significant corroborative suggestions in the final report of the Committee on Retrenchment.

But apart altogether from the part which policy plays in the increase of national expenditure, it is certain that in the sphere of departmental and public administration there is opportunity and need for reorganization which would effect important economies and—what is the highest form of economy—lead to greater efficiency. The public departments, for the most part (apart from war changes), have undergone little substantial change in their structural organization for many years past. Recent Acts of Parliament have added considerably to their duties and have led to the creation of special sub-departments which, in some cases, ill-accord with the traditional and characteristic work of the parent department. These extensions of responsibility and duties have sometimes been accidental, and many have been purely opportunistic. Meantime other activities and sub-departments have not been systematically reviewed, and some have diminished considerably in utility and importance. Some of the minor departments of the Board of Trade—e.g. the London Traffic Branch and the Light Railway Commission—provide particular illustrations of the change in conditions referred to. The area open to reorganization and retrenchment in many of the public departments is, indeed, a matter of almost common knowledge. Parts of it are significantly indicated in the recent recommendations of the Committee on Retrenchment in the Public Expenditure and in other similar reports, and notably in the important but neglected reports of the Royal Commsision on the Civil Service.[1]

Efficient and drastic reorganization would have the further effect of preventing much unfortunate and costly overlapping in administrative work, of which the medical and health activities of the Board of Education and the Local Government Board in respect to arrangements for the health of mothers and young children under school age may be cited as a single example. At present there is no clear line of demarcation between the work of the two departments, and overlapping and waste are inevitable.

The staffing of our public departments and the survival of sinecure offices are other matters which call for detailed and fearless investigation. It may be true, as the Committee on Retrenchment suggested, that the Civil Service generally is not overpaid ; it is probably the case that, speaking generally, "the State is obtaining valuable services at a very reasonable cost" ; and inasmuch as the cost of salaries and wages in Civil Departments (excluding police and school teachers in Ireland) accounts for only £5,000,000 out of the total Civil Service Estimates of £59,000,000, there may not appear to be opportunity for substantial economies. But excessive establishments (and especially the preoccupation of well-paid officials with mechanical and routine work which could well be delegated to junior clerks) have both direct and indirect effects upon administrative efficiency which are more costly to the State than the amount of the redundant salaries paid. The Treasury, it is true, have full powers to deal with questions of staff, and do in fact "hold inquiries and appoint special committees from time to time as necessity arises"; but more than this is required if the public services are to be reorganized on a sound and efficient and scientific basis. This is made clear in repeated observations by the Royal Commission on the Civil Service, which, although precluded both by its terms of reference and, as it frankly confesses, by its constitution, from investigating the matter in detail, is at no pains to conceal its belief in the opportunities for reduction presented in various public departments. Burke's dictum that "the encumbrance of useless office" lies "no less a dead weight upon the services of the State than upon its revenues"[1] is one which may be recalled to-day; and the principle which he then enunciated that "all offices which bring more charge than proportional advantage to the State . . . ought to be taken away" is one which has abiding importance and force.

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[1] The recent creation, by sub-division, of separate labour and shipping departments is an improvisation due to political and war exigencies. It may be a pointer to a larger and more deliberate scheme of reorganization hereafter. It is plainly an imperfect improvisation which, in regard to labour matters particularly, must be extended and developed to be permanent.

Incidental reference has already been made to another form of waste which, although repeatedly emphasized by various Parliamentary and other Committees, appears by its persistence to indicate radical defects in our present system of financial and administrative control, and equal or worse defects in the capacity and disposition towards economy of many of our public servants. I refer to the carelessness and slovenliness and disregard of rudimentary checks and safeguards with which contracts for supplies of all descriptions are frequently negotiated by State Departments, and to extravagance in the requisition and use of supplies. The latest report of the Committee of Public Accounts (No. 115, 1916) contains startling evidence of widespread waste and of incredible neglect of ordinary business principles; and while some of the instances quoted are properly attributable to urgent conditions created by an unprecedented emergency, the disclosures are, in the main, a scathing exposure of defective organization and of lack of prevision and control. Some of the instances referred to betray a culpable negligence and a reckless indifference to financial considerations which not even the extraordinary urgency of the crisis can condone.

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[1] Speech on the economical reformation of the Civil and other Services, February 11th, 1780.

If we turn to a much more circumscribed area of public expenditure, we find much suggestive evidence of needless waste in the annual reports of the Select Committee on Publications. The work of this Committee receives less attention than its achievements deserve, but the uneconomic arrangements which it has repeatedly exposed, and the aggregate economies which its recommendations have from time to time effected, have a suggestive importance which is much greater than the substantial sums which it has rescued from wasteful use. They indicate the need for a larger and broader survey of ordinary departmental expenditure such as existing committees, limited in function and in constitution, are unable to undertake. Meantime the work of these committees would be more fruitful in results if their comments and recommendations were regularly discussed in Parliament. The Select Committee on National Expenditure in 1902 recommended that an opportunity should be provided by the Government for the discussion of the Reports of the Public Accounts Committee by the House of Commons; but this procedure has been adopted only in five subsequent years—viz. 1905, 1907, 1908, 1910, and 1916—although it quite clearly ought to be part of the indispensable business of every session. This is the view of the Committee itself, which, in its latest report, suggests "that at least one day in each session should be set aside by Standing Order for the consideration of the reports of the Committee."

One other aspect—a very important one—of the problem of national thrift remains to be considered. Thrift, in a national sense, is concerned not merely with expenditure, but with the methods and forms of taxation. It involves the question not only of how money is spent, but also of how it is raised.

Taxation, as already indicated, is but a means to an end. The necessity which imposes it is created by the objects to which the fiscal revenue is to be directed, and the proportions of the necessity in a democratic State depend upon the importance and variety of the ends which a nation wills to secure. As a long-forgotten writer of the eighth century, Lu Chih, put it: "To create offices and to establish government is for the end of nourishing the people. To tax the people and to get revenue is for the means of supporting the Government. A wise ruler does not increase the means at the expense of the end. Therefore, he must first pay his attention to the business of the people, and give them a full chance for their economic activities. He must first enrich every family, and then collect the surplus of their income."

The task is more easily stated than achieved, but it is as certain as anything can be that a system of taxation which either "increases the means at the expense of the end," or that has incidental or indirect effects which unnecessarily augment the weight of the tax, or which encroaches upon the inadequate reserves of particular classes, is essentially wasteful and destructive of thrift. An appreciation of this fact inevitably raises the question of the relative merits, from a thrift standpoint solely, of direct and indirect methods of taxation. The advantages and defects of both have been freely and repeatedly canvassed; but most of the discussions, and all the decisions founded upon them, have been governed by considerations of political expediency rather than by economic considerations involving the elements of national thrift.

Now whatever may be the purely political merits of indirect taxes—and these may be examined later—it is not questionable that they are wasteful and unthrifty revenue-producing instruments. They are costly in collection, far-reaching and (for large classes of the population) unequal and impoverishing in their effect, and injurious, in varying but certain degree, to trade and commerce. They bring into the revenue far less than the amount taken out of the pockets of the consumer and, in the case of taxes upon commodities of necessary consumption, encroach upon resources which are already, in the case of the poorer classes, too slender for efficient subsistence. The weight of their incidence is, in fact, in inverse ratio to taxable capacity. A tea tax or a sugar tax—whatever its political merits—taxes a man in proportion to his necessities instead of in proportion to his ability to pay. To that extent, on any reasonable or even tolerable theory of national progress, indirect taxes are essentially uneconomic and unthrifty (as well as unjust) revenue-producing expedients.

To a Chancellor of the Exchequer, on the other hand, they have obvious political merits. They are easy of collection, imperceptible and convenient in their incidence, and, as is alleged, really self-imposed. Hume, in 1741, gave his authority to these advantages in the following words :

"The best taxes are such as are levied upon consumptions, especially those of luxury, because such taxes are least felt by the people. They seem, in some measure, voluntary, since a man may choose how far he will use the commodity which is taxed : they are paid gradually and insensibly : they naturally produce sobriety and frugality, if judiciously imposed : and being confounded with the natural price of the commodity, they are scarcely perceived by the consumers. Their only disadvantage is, that they are expensive in the levying."

Adam Smith, who held that "every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it," gave a qualified approval to Hume's view in the case of "taxes upon such consumable goods as are articles of luxury." Such taxes, he said, "are finally paid by the consumer, and generally in a manner that is very convenient for him. He pays them little by little, as he has occasion to buy the goods. As he is at liberty, too, either to buy or not to buy, as he pleases, it must be his own fault if he ever suffers any considerable inconveniency from such taxes."

This view of the "voluntariness" of indirect taxes plainly requires very considerable qualification. Its validity depends absolutely upon the proper definition of a "luxury." While an excise or customs duty, say, on wine or spirits is entitled to be considered a self-imposed tax, a tax on food or any other commodity of universal and necessary consumption is obviously an involuntary tax. Nor does the "voluntariness" of a tax justify it economically. Even in the case of pure luxuries the imposition of a tax is wasteful if it causes an excessive (i.e. disproportionate) increase in the price of the commodity to the consumer.

Nor is the argument based upon the comparative "imperceptibility" of indirect taxes one that can be pressed. Dr. Channing rightly held that "a free people ought to know what they pay for freedom," and that "they should as truly scorn to be cheated into the support of their Government as into the support of their children."

"If citizenship has in it," as another writer observes, "some desirable possibilities in developing the human race, then for a Government to abet, encourage, or build upon the ignorance of its citizens in such a matter is as evil and vicious as for a despotism to abet, encourage, or build upon the general ignorance of the masses of its subjects. It is not a good thing, but an evil thing, that people should be paying shillings in taxation whilst having a befogged idea that they are paying pennies. Let them know that they are paying shillings, and their interest in the manner of spending the shillings will be aroused."[1]

The importance of the matter, from the standpoint of national thrift, was well put by Herbert Spencer a quarter of a century ago: "The aim of the politician commonly is to raise public funds in such a way as shall leave the citizen partly or wholly unconscious of the deductions made from his income. . . . But this system, being one which takes furtively sums which it would be difficult to get openly, achieves an end which should not be achieved. The resistance to taxation, thus evaded, is a wholesome resistance; and, if not evaded, would put a proper check on public expenditure."

Mr. Gladstone, while describing, in 1861, direct and indirect methods of taxation as "two attractive sisters,"[2] to both of whom, "as Chancellor of the Exchequer, if not as a member of this House," he had "always thought it not only allowable, but even an act of duty," to pay his addresses, admitted in a letter to his brother in 1859 that "if you had only direct taxes, you would have economical government."

It is undeniable that, to a Chancellor of the Exchequer, who is concerned to secure productive taxes with the minimum risk of political disturbance, indirect taxes are peculiarly attractive. Provided that they can be easily and cheaply collected and that they do not too violently disturb the processes of trade, their justification is held to be complete. It is no part of a Finance Minister's accepted duty to safeguard the consumer against excessive enhancements of price, nor are these excessive and disproportionate enhancements included, as they strictly should be, in the costs of collection. They must, however, be taken into account in any estimate of the comparative merits, from an economic and thrift point of view, of direct and indirect systems of taxation. The enhanced profits of traders—including importers or manufacturers, merchants, middlemen, and shopkeepers—upon the taxes they advance are a burden upon the consumer which is as wasteful as it is arbitrary and unjust. From the point of view of economy and thrift, it is a rudimentary proposition that (in Adam Smith's words) "every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State."

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[1] R. Jones, "The Nature and First Principle of Taxation," p. 207.

[2] The simile seems hardly consistent with the glowing epitome of the beneficent results of the remission of indirect taxes which was given in the same speech.

It may be a counsel of perfection to urge the immediate abolition of all indirect taxes, save, possibly, those on pure luxuries; but so long as they are preserved the responsibility of a Chancellor of the Exchequer ought not to be limited, as now, to the imposition and collection of the tax, but should extend to the protection of the consumer against disproportionate and unjustifiable additions to the price of the articles taxed. Fortunately, the course of fiscal policy in later years has substantially modified the former costly system. In 1841 indirect taxes produced three-fourths (73 per cent.) of the tax revenue. In 1861 the proportion had fallen to six-tenths (62 per cent.), and that proportion was maintained, with slight variations, for something like thirty years. In 1891 the proportion had fallen to 56 per cent., and by 1901 direct and indirect taxes approximately balanced, indirect taxes being responsible for slightly less than one-half (49 per cent.) of the total tax revenue. Since then there has been a further readjustment, and in the present year (1916-17) indirect taxes are expected to yield 34·6 per cent., and direct taxes (excluding the excess profits duty) 65·4 per cent. of the total tax revenue.

While it is now generally admitted that this rearrangement of the relative proportions of direct and indirect taxation has been equitable and politically expedient, it is demonstrable that, taking a long and broad view of national interest, it has been economical and fruitful. What Mr. Gladstone said of the effect of the remissions of indirect taxes between 1842 and 1857 is true of all such remissions. They mean "so much addition to the comforts and resources, so much deduction from the privations and the difficulties, of the great mass of the people."

"If," as he added four years later (in 1861), "we had not gained one single shilling by the remission of indirect taxation, it would have been worth having for the sake of the manner in which it has knit together the interests and feelings of all classes of the community, from one end of the country to the other. If, on the other hand, it had had nothing to do with any question of moral and social results, still the merely economical effects, in promoting the material well-being of the people, have been so signal and extraordinary that we may well rejoice to have lived in a period during which it has been our happy lot to take part in bringing about such changes."

All classes, as Mr. Gladstone said in 1859, are affected by taxation, but "indirect taxation weighs with much more severe pressure upon the poor and labouring man." Direct taxes like the income-tax, on the other hand, have the economical advantage that they tend to take in taxation the less useful portion of private incomes, whereas indirect taxes by creating artificial prices often encroach upon income that is vital to health and efficiency.

The true and economically sound principle upon which taxation should be based was laid down by Lord Palmerston in 1846. "If," he said, "we are obliged to call upon any class to make for the public service a sacrifice of a large portion of their incomes, whether arising from commerce, from professions, or from labour, that very fact is the strongest possible reason why we should endeavour to enable them to make that remainder, which we leave to them, go as far as it possibly can in procuring for them, according to their respective situations in life, the necessaries, the conveniences, or the luxuries which they may wish to enjoy."[1]

We thus return to the proposition with which we started: that the methods and forms of taxation are an integral part of the problem of national thrift.

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[1] Corn Law Debate, March 27, 1846.

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